

CONFIDENTIAL.

(5882.)

407 FURTHER CORRESPONDENCE

RESPECTING THE

FINANCES OF EGYPT.

[In continuation of Confidential Paper No. 5816.]

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CONFIDENTIAL.

Further Correspondence respecting the Finances of Egypt.

[In continuation of Confidential Paper No. 5816.]

No. 1.

Mr. Clarke to the Marquis of Salisbury.—(Received July 4, 10.30 A.M.)

(No. 104.)
(Telegraphic.)

Cairo, July 4, 1889, 10.10 A.M.

IN consequence of communication received from Sir E. Vincent, Egyptian Government propose to address at once a note to French Agent and Consul-General expressing regret at the refusal of the French Government to assent to the conversion scheme, and pointing out the serious losses which such refusal entails upon the country. Does your Lordship approve of such course? Egyptian Government beg for very early reply.

No. 2.

Mr. Clarke to the Marquis of Salisbury.—(Received by telegraph, July 4.)

(No. 278. Confidential. Ext. 104.)
My Lord,

Cairo, July 4, 1889.

I HAVE the honour to report to your Lordship that, in consequence of a communication received from Sir E. Vincent, the Egyptian Government propose to address at once a note to M. Denant, the French Acting Consul-General, expressing regret at the refusal of the French Government to assent to the conversion scheme, and pointing out the serious losses which such refusal entails upon the country.

I would beg to be informed whether your Lordship approves of such a course.

I have, &c.
(Signed) F. S. CLARKE.

No. 3.

The Marquis of Salisbury to Mr. Clarke.

(No. 67.)
(Telegraphic.)

Foreign Office, July 4, 1889.

YOUR telegram No. 104 of to-day: Conversion scheme.
I see no objection.

Sir E. Baring to the Marquis of Salisbury.—(Received July 6.)

(No. 263.)

My Lord,

I HAVE the honour to transmit herewith a Statement published by the Caisse de la Dette, showing the amount of the $4\frac{1}{2}$ per Cent. Loan which has been paid off.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 4.

Extract from the "Journal Officiel" of June 24, 1889.

CAISSE DE LA DETTE PUBLIQUE.
Amortissement par Rachat de l'Emprunt $4\frac{1}{2}$ pour Cent.

Fonds disponibles.				£ E.	m.
Reliquat libre sur le produit de l'émission de l'Emprunt				29,246	505
Origine.				£ E.	m.
Montant de l'emprunt				2,112,727	500
A ajouter—					
Intérêts acquis à fin Décembre sur les fonds disponibles en fructification				6,519	246*
				2,119,246	746
A déduire—					
Crédits ouverts par le Décret				2,000,000	000
Commission, $\frac{1}{2}$ pour cent.				2,839	687
Coupon du 20 Juin, 1888				25,589	130
Coupon du 20 Décembre, 1888				51,178	266
Frais d'émission, timbres, impression des titres, &c.				10,393	158
				2,090,000	241
Reliquat comme ci-dessus				29,246	505
Emploi des Fonds.					
Achat en Mars et Mai 1889, 28 760 <i>l.</i> ayant coûté, frais compris †				28,140	247
Solde à employer				1,106	258

Par suite de cet amortissement et celui du 11 Juin, le capital de l'Emprunt $4\frac{1}{2}$ pour Cent se trouve réduit à 2,287,000*l.*
La demi-annuité fixe de 66,666*l.*, 13*s.*, 4*d.*, se décomposera comme suit:—

	£	s.	d.
Dotations d'intérêts	51,457	10	0
" d'amortissement	15,209	2	4

Le Caire, le 23 Juin, 1889.

Les Commissaires-Directeurs,
(Signé)

G. LE CHEVALIER.
G. B. MACHIAVELLI.
Prince A. MOUROUSI.
A. MONEY.

Pour copie conforme:
Pour le Contrôleur,
(Signé) CÉSAR CAPRARA.

* Dans cette somme ne sont pas compris les intérêts acquis sur une partie des fonds en fructification chez MM. N. M. Rothschild and Sons, de Londres, depuis Mai 1888, qui est encore en suspens.
† Déduction faite du coupon du 20 Juin, 1889, acquis sur ces titres, le prix d'achat correspond au cours de 98*½*.

Mr. Whitehouse to the Marquis of Salisbury.—(Received July 12.)

My Lord,

10, Cleveland Row, St. James', July 11, 1889.

ON the 12th January, 1889, Sir Julian Pauncefote advised me that he had been directed by your Lordship to inform me that a note had been received by Her Majesty's Agent and Consul-General at Cairo from the Egyptian Minister for Foreign Affairs, in which it was stated that my project for the utilization of the Wadi Raiyan had been carefully examined by the Egyptian Government, but that, after full consideration, they had come to the conclusion that they could not adopt my proposals.

The terms of this letter showed that the exact nature of my proposals had not been grasped with entire precision, and the responsibility for their rejection had not been correctly assigned. Unwilling, however, to raise any question of this sort, I made no reply at the time, and now content myself with disclaiming a knowledge of certain facts of which I am said to be aware, and I, also, reserve to myself the right to point out other statements which appear to me to be inaccurate or incomplete, in the remote possibility of their becoming a matter of discussion.

In December 1888, during my absence from Egypt, a note was published in the "Journal Officiel," and republished as an official document, signed by Sir C. C. Scott-Moncrieff, which purported to be an official examination of my project. A copy of it has been, as I am informed, sent to Her Majesty's Government. The impropriety, irregularity, inaccuracy, and incompleteness of this document were indicated to Sir C. C. Scott-Moncrieff by the Agent and Consul-General of the United States of America. I desire here, also, to raise no issue, but simply acquaint Her Majesty's Government with the fact that this note would be an untrustworthy basis for the guidance of Her Majesty's Government in reference to the matter of which it professes to treat.

In order to avoid any form of controversy which might operate to the detriment of those interests common to Great Britain and Egypt, which I am endeavouring to further, I renewed, in April 1889, my proposals in a note, a copy of which I have the honour to inclose. With the previous documents heretofore submitted by me, it will enable Her Majesty's Government to form an opinion, based upon the facts, as to the expediency of instructing Her Majesty's Agent and Consul-General in Cairo to assume an attitude other than that hitherto taken.

I have placed in the Paris Exposition, "Liberal Arts," Class 16, Section United States of America, with the knowledge and approval of His Highness the Khedive and certain of his advisers, a number of maps, surveys, and documents. They are partly official, paid for from the Guaranteed Loan and the moneys expended under the immediate direction of Colonel Western, C.M.G., R.E., Director-General of Works. They are sufficient to enable any one competent to deal with such a subject to examine the scope and feasibility of the Raiyan project. I venture to entertain the hope that Her Majesty's Government will take into consideration the large British interests at stake, and that, in view of the very decided expressions of opinion on the part of Colonel Ardagh, C.B., R.E., and many others, advantage will be taken of this opportunity to obtain further advice from qualified experts. The result would either modify the course which is being pursued by Her Majesty's Agent and Consul-General at Cairo, or strengthen a position which has not thus far received a sufficient explanation.

The good fortune in regard to the annual rise and fall of the Nile, which for several consecutive years coincided with the occupation of Egypt by British troops, and the transfer of the Irrigation Department to British direction, is no longer maintained. The heavy losses actually sustained by the inhabitants of Egypt are not clearly indicated by the official figures relating to taxes. There is a well-founded apprehension that the high Nile of 1889 may reach a disastrous height, as was the case with the similar Nile of 1878. Should even the comparatively trifling losses of 1887 be repeated, it will fix attention upon the Raiyan Basin as having offered a sure and inexpensive preventive. In the event of its being considered that there had been a culpable delay in its adoption, neither the Egyptian Minister of Public Works, nor the Egyptian Minister of Foreign Affairs, would be seriously regarded as responsible for the consequences of the refusal to allow me, at my own risk, to complete a work of recognized public utility.

I am, &c.
(Signed) COPE WHITEHOUSE.

Inclosure in No. 5.

NOTE ON THE RAIYAN CANAL AND RESERVOIR.

Mr. Whitehouse to Sir C. Scott-Moncrieff.

Cairo, April 8, 1889.

Sir,

THE feasibility of the Raiyan project has been fully established. The importance of its immediate execution has also been demonstrated.

The project presents itself under two aspects.

1.—As a Canal of Escape.

1. The opening of a direct connection between the Wadi Raiyan and the Nile Valley would furnish an important means of controlling a dangerous flood. In such inundations as those of 1874, 1878, and 1887 it would be of very great value.

2. It would assist the discharge of the basins in Middle Egypt and the regulation of the Bahr Jusuf.

3. It would provide really good Nile mud to the area included in the four basins provided with new basin feeders, and to the Charaq district of the Fayoum, and give a large extension to *Nili* and *Shetwi* cultivation outside the limits of cultivation on the west of Middle Egypt, and in the Fayoum.

2.—As a Reservoir.

The Raiyan Basin and the continuous small depressions can be converted into a reservoir capable of containing 20,000 million cubic metres of water.

1. A supply of 5,000 million cubic metres can be obtained annually from it, for *Sefi* cultivation, without pumping, by the difference between high Nile and low Nile.

2. The depression is composed of two small and one large basins. The small basins can be filled and used independently.

(A.)—Surplus Water available.

1. The total discharge of the Nile at Assouan in each and every year exceeds 90,000 million cubic metres. The amount annually diverted into canals and employed in irrigation is less than 30,000 million cubic metres. As soon as the Barrage is in good working order the Nile can be regulated at that point the whole year round to such an extent as to allow the diversion into the Raiyan reservoir, of an amount far in excess of its annual requirement.

2. The total amount annually required to replenish the reservoir will not exceed 6,000 million cubic metres. A daily supply of 30 million cubic metres for 200 days can always be counted upon.

3. The first 15,000 million cubic metres required to fill the Raiyan reservoir to the level of low Nile might be passed through the same channel—with considerable loss of time—or special arrangements made to divert not less than 80 million cubic metres daily in Nile ordinary flood for two years.

(B.)—Cost of the Canal and Reservoir.

1. The following estimates were made by the Director-General of Works in March 1888:—

	£ E.
Works in the Nile Valley	80,000
Maiyana Cutting	270,000
Channel in Fayoum	216,000
Cutting into Wadi.. .. .	161,000
Total	727,000

2. Subsequent surveys, and a personal examination of the ground, with a modification of the line, reduced this estimate. It is believed that the cost of these works would not exceed 500,000*l*.

3. A canal of escape, which could be utilized for several purposes, and subsequently embodied in the canal of discharge for the Raiyan reservoir, would probably cost 250,000*l*. This amount is included in the previous estimate.

4. The canal could be opened in one year. It would yield a return in the first

season, and thus reduce interest charges to a small sum. The total interest charges would not, in any event, exceed 50,000*l*.

(C.)—The possible Expansion of Egypt.

1. The area of uncultivated land in the Delta is officially stated to be 2,300,000 feddans.

2. The amount of reclaimable land in Middle Egypt exceeds 300,000 feddans.

3. Lands capable of cultivation in Upper Egypt are systematically deprived of water, in order that Lower Egypt may receive a larger share. If the cultivators in Upper Egypt were allowed to enjoy all the water required, the amount thus abstracted might be replaced from the Raiyan reservoir. This increased area is as yet undetermined. It is certainly more than 400,000 feddans.

4. The total possible increased area of cultivated land in Egypt exceeds 3,000,000 feddans, equal to about one-half of the present cultivated area.

5. These 3,000,000 feddans are exclusive of lands cultivated occasionally, or with a single crop.

(D.)—Amount of Sefi Water required.

The present average supply of *Sefi* water to lands north of the Barrage is officially stated to be 23 million cubic metres per diem, or 2,300 million cubic metres during 100 days of *Sefi*, or low Nile.

1. This is an average, not a minimum, low Nile. The Nile of 1878 is believed to have fallen to 17 million cubic metres per diem between the 5th June and 7th July. There was a deficient supply in 1888. The Nile of 1889 will be at least 20 per cent. short. The cycle of eleven years shows that at least 6 million cubic metres additional supply for 40 days is required for existing areas. In the Niles of 1201-2 the Nilometer was dry. Any deficiency below reasonable expectation represents a large loss in the failure of cotton and rice. A total stored supply of 500 million cubic metres would this year represent a value of 1,000,000*l*.

2. The Inspectors of Irrigation for the Delta have given the following figures for the supply needed to extend cultivation in Lower Egypt:—

	Centim.
Mr. Foster, Western Provinces	5,250,000 daily.
Mr. Wilcocks, Central	12,000,000 ..
Mr. Garstin, Eastern	12,000,000 ..
Total additional water supply required daily	29,250,000 ..

3. The Province of Gizeh has no *Sefi* irrigation. 1½ million cubic metres might well be bestowed upon it.

4. The Fayoum is capable of large extension. The volume now used of 1½ million cubic metres, might be advantageously raised to 2½ million cubic metres, which would render culturable much rich land now only requiring water. (Note on Wadi Raiyan, by Sir C. C. Scott-Moncrieff, p. 31.)

5. Upper Egypt is capable of considerable extension. Certainly 5 million cubic metres might be utilized in Esneh, Girgeh, Assiout, and Beni-Souef. (Note on Nile Storage and the Raiyan Reservoir, by his Excellency Nubar Pasha, May 23, 1888.)

It appears, therefore, that an additional supply of *Sefi* water is required, as follows:—

	Centim.
1. Assurance of normal quantity	6,000,000 daily.
2. Increased cultivation—	
Delta	29,000,000 ..
Gizeh and Fayoum	2,250,000 ..
Upper Egypt	5,000,000 ..
Total	42,250,000 ..

The quantity required to be stored annually so as to produce this daily supply for 100 days would apparently be 42,250,000 × 100 = 4,225,000,000 cubic metres; but other elements enter into the calculation. In any event, 5,000 million cubic metres would be a splendid volume of water capable of at least doubling the normal supply of low Nile.

(E.)—Increased Revenue.

1. The revenue derived indirectly from the agricultural resources of Egypt nearly equals the direct land tax. The average tax on land cultivated all the year round is

P. E. 150. At this rate, 3,000,000 feddans should yield in direct taxes about 4,500,000*l.* No such augmentation should be anticipated, even after the lapse of a considerable period of time, as due to the Raiyan reservoir.

2. Lands irrigated once a-year by the Nile flood might be taxed as high as P. E. 70. The additional *Sefi* tax varies widely. The *Sefi* lands of Upper Egypt at Farshut, Qasr Salamiyeh, do not pay extra taxes, in view of the cost of pumping. The Province of Gizeh has for over twelve years paid for *Sefi* water, which has not yet been delivered. It would be entitled to claim water without payment.

3. In the Delta 1,500,000 acres would require steam drainage works, which would reduce the net receipts.

4. The Nubariyeh tract requires either pumps at Kafr Balin, or a new canal cut between the the Khatatbeh and the Desert.

5. An area exceeding 1,000,000 acres could be reached with trifling additional expense, and could be taxed at from P. E. 20 to P. E. 50 per feddan.

	Centim.
The Behera Province could deal with	8,000,000
The Raiyah Menoufieh	12,000,000
The Raiyah Taoufik and Shubra could deal with	14,000,000
Total capacity of Barrage system	34,000,000

6. To increase the existing canals to a carrying capacity of 50 millions cubic metres daily would probably cost about 1,000,000*l.*

7. It is difficult to indicate without elaborate diagrams the varying conditions of revenue, direct and indirect taxation, influenced by the Nile's irregular discharge; the wide divergence between the value of a small supplemental supply, especially in such years as 1878, 1888, 1889, and an extra 1,000 millions cubic metres expended in *Sefi* cultivation on lands unfavourably situated. The former might be worth 1,000,000*l.*; the last scarcely pay the expense of the distributing canals.

(F.)—Increased Revenue. Indirect Taxes.

1. Any increase in the agricultural products of Egypt, especially in the *Sefi* crops, must yield a large proportionate revenue to the Government, as the owner of all means of transportation.

2. Increased wealth would breed wealth, and favourably affect imports.

3. No material expansion of Egypt can take place without an improvement in the quantity and quality of the summer water supply.

The uncertainty of the quantity checks legitimate enterprise, and induces the peasants to remain near well-established centres.

The quality of the *Sefi* water deteriorates as cultivation extends. The deleterious admixture of drainage with drinking water affects a large portion of the population of Northern Egypt. The use of brackish water, especially in the northern zone of the Delta, destroys a considerable percentage of the natural increase of the population. It is a barrier against immigration.

Nili lands are subjected to what is equivalent to a rigorous winter of several months during the inundation. They are parched for another considerable period, and the cultivator can only obtain household water from wells always injuriously affected by a high percentage of organic and inorganic matter, and peculiarly liable to sewage contamination.

Summary of Cost and Profit.

It is obvious that, assuming a cost of 1,000,000*l.*, the benefit to Egypt from the Raiyan Canal of Escape, and the storage of 3,000 to 5,000 million cubic metres of water, available at such times and in such quantities as the Department of Public Works may desire to take it, is enormously in excess of any fair interest on the capital sum—50,000*l.* per annum would be sufficient. The revenue might amount to double the cost of the works. The only question is, which source of profit would be most advantageously affected to meet the interest on the cost?

This is a matter which concerns the Financial Advisers of the Egyptian Government rather than myself. If 30 cubic metres per feddan are allowed for cotton, and 60 cubic metres for rice, the water stored and delivered at Maiyana could not fail to be worth 100*l.* per million cubic metres, for the first 1,000 millions.

A land grant of 300,000 feddans, 70 per cent. of the net increased land tax in the Fayoum, and 70*l.* per million cubic metres delivered at Maiyana, until the whole amount reached a stipulated sum, after which the surplus would belong to the Government, is sufficient. The right of purchase by the Egyptian Government at a fixed sum would prevent any possibility of the Concession assuming a form injurious to the interests they represent.

It is admitted that this project is wholly my work. It is conceded that it would be of public utility. No reason has been given why I should be prevented from carrying it to completion. So far as the Raiyan Canal and Reservoir are concerned, the works are wholly in the Desert, could affect no interest injuriously, and would give employment to those fellahin who are deprived of occupation and resources by the insufficient Nile.

The Concession to construct such a canal and reservoir, and to operate them pending purchase, has nothing whatever in common with an ordinary irrigation Company. The storage of Nile water, like the storage of grain or of cotton, requires no compulsory right to interfere with private property and vested ownership.

I trust that you will advise the Egyptian Government to submit a proposition of a definite character, stating the terms on which this work will be allowed to proceed. Should the Government desire that the works should be executed by their Department of Works, I am ready to accept this method, and advance the money required, without any other guarantee than the works themselves and the right to participate in the benefits on a basis to be determined.

I have, &c.
(Signed) COPE WHITEHOUSE.

No. 6.

Mr. Clarke to the Marquis of Salisbury.—(Received July 13.)

(No. 275.)
My Lord,

Cairo, July 3, 1889.

I HAVE the honour to transmit herewith the Statement for June last, published by the Commissioners of the Public Debt in the "Journal Officiel" of the 1st instant, respecting the situation of the Guaranteed 3 per Cent. Loan, of the Preference and Unified Debts, and of the Guaranteed 4½ per Cent. Loan.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 6.

Extract from the "Journal Officiel" of July 1, 1889.

CAISSE DE LA DETTE PUBLIQUE.

Mois de Juin 1889.

Etat mensuel des Sommes versées à la Caisse de la Dette Publique.

EMPRUNT GARANTI 3 POUR CENT.

	£	s.	d.
Echéance du 1 ^{er} Septembre, 1889—			
Capital restant à amortir	9,131,600	0	0
Dotation d'intérêts	136,974	0	0
Dotation d'amortissement	20,526	0	0
Total égal à la demi-annuité à prélever le 15 Août, 1889, comme première charge sur les revenus affectés au service de la Dette Priviligée et de la Dette Unifiée	157,500	0	0

DETTE PRIVILÉGIÉE.

Échéance du 15 Octobre, 1889—	£	s.	d.
Capital restant à amortir	22,296,800	0	0
Dotation d'intérêts	557,420	0	0

Nota.—Le complément des dotations de la Dette Privilégiée est prélevé sur les revenus de la Dette Unifiée.

Désignation des Administrations dont les Revenus sont affectés au Service de la Dette Privilégiée.	Sommes versées—		Totaux au 30 Juin, 1889.
	Du 1 ^{er} au 31 Juin, 1889.	Du 15 Avril au 31 Mai, 1889.	
	£ E. m.	£ E. m.	£ E. m.
Chemins de Fer, Télégraphes, et Port d'Alexan- drie	39,000 000	68,250 000	107,250 000
			Soit, 110,000l.

DETTE UNIFIÉE.

Échéance du 1 ^{er} Novembre, 1889—	£	s.	d.
Capital restant à amortir	55,988,920	0	0
Dotation d'intérêts	1,119,778	8	0

Désignation des Administrations et Provinces dont les Revenus sont affectés au Service de la Dette Unifiée.	Sommes versées—		Totaux au 30 Juin, 1889.
	Du 1 ^{er} au 30 Juin, 1889.	Du 26 Avril au 31 Mai, 1889.	
	£ E. m.	£ E. m.	£ E. m.
Province de Garbich			
„ de Ménoufieh	50,006 131		50,006 131
„ de Béhéra	11 109		11 109
„ de Siout	89,585 033	65,000 000	154,585 033
Douanes	41,923 923	34,936 784	76,860 707
Droits sur les tabacs d'importation	32,330 000	31,500 000	63,830 000
Excédent au 25 Avril, 1889			466,531 582
	213,856 196	131,436 784	811,824 562
			Soit, 832,640l.

EMPRUNT GARANTI 4½ POUR CENT.

Échéance du 20 Décembre, 1889—	£	s.	d.
Capital restant à amortir	2,287,000	0	0
Dotation d'intérêts	51,457	10	0
Dotation d'amortissement	15,209	3	4
Total égal à la demi-annuité	66,666	13	4

Au service de cet emprunt est affectée une annuité de £ E. 130,000 payable par versements mensuels du Ministère des Finances.	Versements de , 1889.	Versements de , 1889.	Totaux au 30 Juin, 1889.
	£ E. m.	£ E. m.	£ E. m.
Versements du Ministère			
			Soit, l.

Le Caire, le 1^{er} Juillet, 1889.

Les Commissaires-Directeurs,
(Signé) G. B. MACHIAVELLI.
G. LE CHEVALIER.
A. MONEY.
Prince A. MOUROUSI.

Pour copie conforme :
Pour le Contrôleur,
(Signé) CÉSAR CAPRARA.

No. 6*.

Mr. Clarke to the Marquis of Salisbury.—Received July 13.)

E
(No. 280. Confidential.)
My Lord,

Cairo, July 4, 1889.

THE news that the French Government had, at the very last moment, refused its assent to the Circular issued by the Egyptian Government with regard to the conversion of the Privileged Debt has caused considerable disappointment here. The policy of France in alone refusing to give its assent to a purely financial measure, which would have been of great benefit to the country, is very strongly condemned on all sides.

Several of the native papers have contained long articles upon the subject, criticizing in severe terms the conduct of the French Government, and dwelling on the fact that it has now been proved that France has not the interests of Egypt at heart, but is solely guided in her policy in this country by the determination to thwart England at every step.

Count d'Aubigny himself has not, I hear, concealed his regret at the attitude assumed by his Government. He would appear, however, to have been but little consulted in the matter.

Riza Pasha and most of the Ministers are much irritated, and the immediate result of the French refusal will be a strong disinclination on the part of the Egyptian Government to meet the wishes of the French Government in any request they may have to make.

I have, &c.
(Signed) F. S. CLARKE.

No. 7.

Mr. Clarke to the Marquis of Salisbury.—(Received July 13.)

(No. 282.)

My Lord,

Cairo, July 5, 1889.

WITH reference to Sir E. Baring's despatch No. 218 of the 7th May last, I have the honour to transmit to your Lordship herewith the general conditions, "Cahier des Charges," and other details which have just been published with regard to the construction of certain new lines of railway in Egypt and of a bridge across the Nile.

The undertaking is, as your Lordship knows, open to tender, and full information can be obtained on the subject at the Ministry of Public Works here, at Messrs. Rothschild and Sons, and at the office of Mr. G. H. Wright, M.I.C.E., 2, Victoria Mansions, Westminster.

I have, &c.
(Signed) F. S. CLARKE.

No. 8.

Mr. Clarke to the Marquis of Salisbury.—(Received July 16, 5 P.M.)

(No. 109.)

(Telegraphic.)

Cairo, July 16, 1889, 3:30 P.M.

SIR E. VINCENT has telegraphed to Egyptian Government that Baron Soubeyran had seen French Minister for Foreign Affairs, who gave him a formal assurance that if Egyptian Government made a fresh request with regard to conversion scheme, French Government would at once give their assent.

In consequence of this information, and on Sir E. Vincent's strong recommendation, Riaz Pasha has to-day asked French Acting Consul-General to transmit to his Government a further request for adhesion to the conversion scheme.

French Acting Consul-General replied that he had received instructions to discourage any new demand, which he was sure would be refused; but that he would nevertheless forward Riaz Pasha's request for the consideration of his Government.

I presume Sir E. Vincent is acting in accordance with your Lordship's wishes. I was not consulted before present decision was taken.

It is thought here that, once assent of France is given, the Egyptian Government will be enabled to finally [group omitted] negotiations for conversion, if not at present, at all events at some future favourable moment.

No. 9.

Foreign Office to Mr. Whitehouse.

Sir,

Foreign Office, July 16, 1889.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 11th instant, respecting your scheme for the cutting of a canal and the formation of a reservoir in the Wady Raiyan Basin.

As you were informed by the letter from this Department of the 12th January last, the project has been carefully examined by the Egyptian Government, who have come to the conclusion that they cannot adopt your proposals; and I am to say that Lord Salisbury must adhere to his decision that it is not a matter in which Her Majesty's Government can interfere with the discretion of the Government of Egypt.

I am, &c.
(Signed) P. CURRIE.

No. 10.

The Marquis of Salisbury to Mr. Clarke.

(No. 68.)

(Telegraphic.)

Foreign Office, July 17, 1889, 1:35 P.M.

CONVERSION: Your telegram No. 109 of the 16th instant.

Vincent is acting on behalf of the Egyptian Government, and without consultation with Her Majesty's Government, who have no wish to interfere with the discretion of the Egyptian Government in the matter.

Mr. Clarke to the Marquis of Salisbury.—(Received July 20.)

(No. 285.)

My Lord,

Cairo, July 7, 1889.

I HAVE the honour to transmit herewith a note, drawn up by Mr. Hamilton Lang, on the results of the Daïra Saniéh for the year 1888.

Your Lordship will observe that Mr. Lang's favourable forecasts as to the probable results of last year's administration have been more than realized. It is satisfactory to note that, notwithstanding the abnormally low Nile of 1888, Mr. Lang does not anticipate any falling-off in the results of the current year.

I have, &c.
(Signed) F. S. CLARKE.

Mr. Clarke to the Marquis of Salisbury.—(Received July 20.)

(No. 292.)

My Lord,

Cairo, July 11, 1889.

IN view of the fact that Sir E. Vincent telegraphed, stating that he was still engaged in negotiations with the object of carrying out the scheme for the conversion of the Privileged Debt, the Egyptian Government delayed the delivery of the proposed note to the French Acting Consul-General, mentioned in my despatch to your Lordship No. 278 of the 4th instant.

They now incline to the opinion that, when the time comes, it will be more advisable for them to give a verbal answer to M. Denant, Count d'Aubigny's communication of the 29th ultimo having been made to them in that form.

I have, &c.
(Signed) F. S. CLARKE.

Mr. Clarke to the Marquis of Salisbury.—(Received July 20.)

(No. 297.)

My Lord,

Cairo, July 13, 1889.

THE refusal of the French Government to give its assent to the proposed conversion scheme has imposed upon the Egyptian Government the necessity of finding some other means by which the sums necessary for the carrying on of the most essential public works in the country may be obtained.

Colonel Sir Colin Scott Moncrieff was asked to give an estimate of the amount required for the purpose, and he has fixed upon £ E. 290,000 as the smallest sum which will suffice to carry on, until the end of the current year, the improvements under his Department, which are perfectly indispensable for the agricultural welfare and development of Egypt.

In order to raise this sum, the Egyptian Government have decided upon borrowing the amount from the Caisse de la Dette Publique. Your Lordship will see from the inclosed correspondence the terms upon which the Caisse have agreed to advance the sum of £ E. 290,000 to the Egyptian Government.

They are as follows:—

The Caisse consents to lend the requisite sum on the condition that the reserve fund is made a guarantee for repayment.

£ E. 50,000 will be advanced before the 31st October next, and the remaining £ E. 240,000 will be advanced during the months of November and December.

According to requirement, 2½ per cent. interest will be charged on the loan, and repayment will have to be made on the 15th April, 1890. A further delay for repayment is allowed, on certain conditions, until the 1st October of that year.

The question of the exchange and commutation of pensions will have to be considered later on, and such action taken as circumstances may permit.

I have, &c.
(Signed) F. S. CLARKE.

Riaz Pasha to the Commissioners of the Public Debt.

Messieurs,

Le Caire, le 10 Juillet, 1889.

IL est sans doute à votre connaissance que le projet de conversion qui avait été soumis à l'assentiment des Puissances n'ayant pu recevoir toutes les adhésions dans les délais fixés, le Gouvernement Égyptien s'est trouvé dans la nécessité d'en ajourner l'exécution pour le moment.

Ce projet comprenait, comme vous le savez, l'émission d'un emprunt de 1,200,000l. destiné à la continuation de l'échange de pensions et allocations, et à des travaux d'irrigation et de drainage dans la Basse- et Haute-Égypte, emprunt auquel vous avez bien voulu consentir par votre lettre en date du 25 Juin dernier.

L'ajournement indéfini de toutes les opérations comprises dans le projet de conversion ne permet cependant pas au Gouvernement de retarder l'exécution de travaux d'irrigation et de drainage qui sont si essentiels pour le bien-être du pays, travaux dont les détails se trouvent énumérés dans la note qui accompagnait ma lettre du 24 Juin dernier.

Dans cet état de choses, j'ai pensé que vous voudrez bien venir en aide au Gouvernement en lui faisant les avances nécessaires sur les fonds disponibles de la Caisse de la Dette Publique.

D'après les évaluations qui m'ont été fournies par le Ministère des Travaux Publics, une somme de £ E. 290,000 serait indispensable pour l'exécution des travaux jusqu'à la fin de l'année courante, soit:—

	£ E.
D'ici au 31 Octobre	50,000
Et pendant les mois de Novembre et Décembre.. .. .	240,000
Total	290,000

J'espère, Messieurs, que vous ne verrez pas d'inconvénient à consentir à l'avance des sommes ci-dessus mentionnées.

Le Gouvernement se propose de vous les rembourser au moyen d'une opération financière ultérieure; toutefois il vous offre, en attendant, d'affecter le fonds de réserve à titre de garantie éventuelle du remboursement.

Veillez, &c.
(Signé) RIAZ

The Commissioners of the Public Debt to Riaz Pasha.

M. le Ministre,

Caire, le 11 Janvier, 1889.

EN réponse à votre lettre en date du 10 Juillet courant, nous nous empressons d'informer votre Excellence que, dès le 25 Juin dernier, la Commission de la Dette avait reconnu l'utilité de fournir au Gouvernement les moyens de compléter les travaux d'irrigation entrepris sur le million alloué par la Convention de Londres et, à cet effet, avait consenti à l'émission de l'emprunt de £ E. 1,200,000 projetée par lui, sous réserve de l'approbation par les Puissances du Décret relatif à la conversion de la Dette Privilégiée.

Dans ces conditions, nous estimons, M. le Ministre, qu'il est de notre devoir de mettre le Gouvernement à même de poursuivre l'achèvement des travaux d'irrigation et de drainage considérés comme indispensables au bien-être du pays.

Nous consentons, en conséquence, à mettre à votre disposition, suivant votre demande, la somme de £ E. 290,000 reconnue nécessaire pour la continuation de ces travaux jusqu'à la fin de cette année. Cette somme, garantie par le fonds de réserve, vous sera versée, en conformité de vos indications, savoir:—

£ E. 50,000 d'ici au 31 Octobre et £ E. 240,000 dans le courant des mois de Novembre et Décembre prochains; elle portera intérêt au taux de 2½ pour cent à partir de la date de chaque versement et devra nous être remboursée au 15 Avril, 1890.

Il demeure expressément entendu que chacune de ces avances sera subordonnée, ainsi qu'il est établi dans notre lettre du 25 Juin dernier, à la production d'un Tableau donnant le détail des travaux auxquels elles seront affectées et que le Gouvernement soumettra en temps opportun à la Commission de la Dette les pièces justificatives de leur emploi.

Dans le cas où au 15 Avril, 1890, le Gouvernement se trouverait dans

l'impossibilité d'effectuer le remboursement des sommes ainsi avancées, la Commission de la Dette consentirait à une prorogation jusqu'au 1^{er} Octobre de la même année, à la condition, toutefois, que les versements des provinces et Administrations affectées seraient suffisants pour faire face aux échéances de coupons antérieures à cette dernière date.

Si ces versements ne suffisaient pas pour parfaire les dotations des dites échéances, la Commission vous en aviserait un mois à l'avance et en cas de non remboursement des avances consenties, elle ferait procéder à la vente des titres constituant le fonds de réserve, quel que soit le cours du marché à cette époque, jusqu'à concurrence du montant des dotations précitées.

Le fonds de réserve se trouvant fortement engagé tant par les garanties précédentes que par celle à laquelle nous venons de consentir, il est bien entendu que toute somme ou valeur qui viendrait à s'ajouter par la suite à ce fonds seront aussi affectées à la garantie de l'avance actuelle.

Veuillez, &c.
Le Commissaire de Service,
(Signé) Prince A. MOUROUSI.

No. 14.

Mr. Clarke to the Marquis of Salisbury.—(Received July 20, 5.10 P.M.)

(No. 111.)
(Telegraphic.)

Cairo, July 20, 1889.

MY telegram No. 109: Conversion scheme.

French Acting Consul-General has informed Riaz Pasha that as the political situation had not changed, the French Government regretted that they were obliged to withhold their consent.

No. 15.

Mr. Clarke to the Marquis of Salisbury.—(Received by telegraph, July 20.)

(No. 306. Ext. 111.)

My Lord,

Cairo, July 20, 1889.

I HAVE the honour, with reference to my despatch No. 301 of the 16th instant, to report to your Lordship that M. Denaut, the French Acting Consul-General, has informed Riaz Pasha that, as the political situation had not changed, the French Government were, with regret, obliged to withhold their assent to the Conversion scheme.

I have, &c.
(Signed) F. S. CLARKE.

No. 16.

The Marquis of Salisbury to Mr. Clarke.

(No. 70.)
(Telegraphic.)

Foreign Office, July 21, 1889, noon.

ITALIAN Government have designated M. Saverio Vollaro, Italian Deputy, as Commissioner of the Caisse in the place of Macchiavelli, appointed Consul at Tunis.

No. 17.

Mr. Clarke to the Marquis of Salisbury.—(Received July 27.)

(No. 300.)

My Lord,

Cairo, July 15, 1889.

M. SCHMIDT, Sub-Director-General of the Egyptian Customs Administration, has tendered his resignation owing to his acceptance of an appointment offered him by Messrs. Krupp, of Essen.

M. Ornstein, at present Secretary to the Financial Adviser, has offered himself for the post, and Riaz Pasha has, within the last few days, approved of his appointment.

M. Ornstein's present post, of the value of 1,000*l.* a-year, will be abolished, but an understanding has been come to, with the approval of Sir Evelyn Baring, that the office of Acting Financial Adviser, during the absence of Sir Edgar Vincent or of his successors, shall always be filled by an Englishman employed in the Egyptian service.

M. Ornstein has offered himself for his new post at the express desire of Sir Edgar Vincent, and somewhat against his own private inclinations. The growing

importance of the Egyptian Customs Administration has necessitated the appointment to the post of Sub-Director-General of some official of high standing and experience, and it cannot be doubted that M. Ornstein will be able to render valuable services to the country in his new Department. He will not take over his new duties until the return of Sir Edgar Vincent.

I have, &c.
(Signed) F. S. CLARKE.

No. 18.

Mr. Clarke to the Marquis of Salisbury.—(Received July 27.)

(No. 301. Ext. 109.)

My Lord,

Cairo, July 16, 1889.

I HAVE the honour to report to your Lordship that Sir Edgar Vincent has telegraphed to the Egyptian Government from Paris that Baron de Soubeyran had seen M. Spuller, who gave him a formal assurance that if the Egyptian Government made a fresh request with regard to the conversion scheme the French Government would at once give their assent.

In consequence of this information, and on Sir Edgar Vincent's strong recommendation, Riaz Pasha has to-day asked M. Denaut, the French Acting Consul-General, to transmit to his Government a further request for adhesion to the conversion scheme.

M. Denaut replied that he had received instructions to discourage any new demand, which he was sure would be refused, but that he would, nevertheless, forward Riaz Pasha's request for the consideration of the French Ministry.

I presume that Sir Edgar Vincent, in advising the Egyptian Government to take this course, has been acting in accordance with your Lordship's wishes.

Riaz Pasha's decision in this matter was taken without previous reference to me.

The financial authorities here think that, once the assent of France is given, the Egyptian Government will be enabled to resume negotiations for conversion with the bankers, if not at present, at all events at some future moment when a favourable opportunity presents itself.

I have, &c.
(Signed) F. S. CLARKE.

No. 19.

War Office to Foreign Office.—(Received July 27.)

Sir,

War Office, July 26, 1889.

I AM directed by the Secretary of State for War to acknowledge the receipt of your communication of the 10th ultimo, transmitting a copy of a despatch from Sir E. Baring, inclosing the Report of the Commission appointed to investigate the question of the expenses of the Army of Occupation in Egypt.

After carefully considering the Report, and Sir E. Baring's remarks thereon, Mr. Secretary Stanhope would have been prepared to support all the reductions recommended by the Commission, and scheduled in detail in Inclosure 2, with the exception of Nos. 3, 4, and 10, which relate to the reduction of the strength of the infantry battalions and of the medical establishments, representing expenditure amounting to 13,587*l.* But, with every desire to lighten, as far as possible, the charge upon the Egyptian Exchequer, Mr. Stanhope is unable to see his way to carrying out these proposals in their entirety at the present time, when operations are being carried on in the Soudan, and large reinforcements have been sent to Egypt; nor can he consent, even if active operations be suspended, to reduce the strength of the three battalions now in Egypt—800 rank and file, the lowest strength for a battalion on colonial service—to that of the home establishment, a reduction to which serious objections are entertained by the military authorities. He is compelled to take exception to the statement made in the third paragraph of Sir E. Baring's despatch, that "it would be cheaper for the Egyptian Government to give up these 261 men, and have an additional battalion on the home strength in their place." From this it would appear that the fact of a dépôt having to be kept up at home to feed the battalion abroad has been overlooked. The extra cost of the regimental dépôts maintained at home is a not inconsiderable item, but no charge has hitherto been made against Egypt on this account.

It should further be borne in mind that, if the strength of the Egyptian battalions

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is reduced, a corresponding addition will have to be made to the depôts at home in order to admit of the periodical transfers of the battalions to other foreign stations.

The strength of the establishments for medical service of course depend, to a large extent, upon the numbers of the fighting force, and it is not considered possible at present to make any reduction in establishment.

Mr. Stanhope sees no objection to the proposal to increase the rate of colonial allowance granted to officers serving in Egypt, and, if Lord Salisbury agrees, will take steps to obtain the necessary Treasury sanction.

Should the condition of affairs in Egypt admit a reduction of the force to the numbers at which it stood in May last, Mr. Stanhope would hope to realize reductions to the extent of 15,254*l.*, or, with the deduction of the increased rate of colonial allowance, a saving of approximately 12,000*l.* per annum. This would enable the contribution receivable from Egypt in subsequent years to be fixed at 93,500*l.* instead of 105,500*l.*, assuming that the conditions under which the estimate was framed remain the same. As, however, the whole of the economies proposed cannot be carried out at once, Mr. Stanhope is of opinion that a lower payment than 100,000*l.* cannot be accepted in respect of the current financial year, and it will be necessary for Her Majesty's Government to consider what proportion of the expenses now being incurred should fall on the Egyptian Exchequer.

I have, &c.
(Signed) W. ST. JOHN BRODRICK.

No. 20.

The Marquis of Salisbury to Mr. Dering.

(No. 26.)

(Telegraphic.)

Foreign Office, August 2, 1889.

AT request of Italian Chargé d'Affaires I communicated with the Egyptian Government on the subject of the selection of M. Vollaro as Italian Commissioner of the Caisse.

The Egyptian Government have made certain objections to the selection, and before doing anything further I should like to know whether the objections have been fully considered by the Italian Government. Her Majesty's Government are most anxious that the new Italian Commissioner should be a person who would act in concert with the English and Egyptian authorities.

No. 21.

The Marquis of Salisbury to Mr. Clarke.

(No. 73. Confidential.)

(Telegraphic.)

Foreign Office, August 2, 1889, 4 P.M.

YOUR private telegram to Sir E. Baring.

Representations shall be made at Rome, but it is doubtful whether Italian Government will yield.

It should be borne in mind that if they do so they will probably ask for some *quid pro quo* which may be distasteful to the Egyptian Government.

Unless the objections to Vollaro are very strong, we doubt whether it would be advisable in Egyptian interests for the Egyptian Government to get into a diplomatic dispute with Italy on a point of this nature.

No. 22.

Mr. Clarke to the Marquis of Salisbury.—(Received August 3, 4 P.M.)

(No. 114. Confidential.)

(Telegraphic.)

Cairo, August 3, 1889, 3 P.M.

YOUR Lordship's telegram No. 73 of yesterday.

Objections to Vollaro are strong.

Egyptian Government have no desire to enter into dispute with Italian Government or give any *quid pro quo*. They hoped question could have been settled amicably. Matter will now be allowed to drop.

Vollaro was a lawyer some twenty years ago at Alexandria, and left a bad reputation.

Khedive and Riaz Pasha think action of Italian Minister for Foreign Affairs in the matter has been discourteous in the extreme.

Appointment of M. de Martino to the Caisse would have been agreeable to both, and he himself would have preferred it even to retaining his present post.

Considering attitude and personal characters of Russian, French, and Austrian Commissioners, I venture to think it is to be regretted new Italian appointment should give rise to so much justifiable dissatisfaction.

No. 23.

Mr. Clarke to the Marquis of Salisbury.—(Received August 5.)

(No. 307.)

My Lord,

Cairo, July 21, 1889.

I HAVE the honour to transmit herewith the Statement of the revenue and expenditure of the Egyptian Government for the half-year ended on the 30th June last.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 23.

Supplement to the "Journal Officiel" of July 20, 1889.

ÉTAT des Recettes et des Dépenses effectuées du 1^{er} Janvier à fin Juin 1889.

RECETTES.

Dénomination des Recettes.	Prévisions budgétaires de 1889.	Recettes réalisées—		
		Pendant le Mois de Juin 1889.	Du 1 ^{er} Janvier à fin Juin 1889.	Pendant la période correspondante de 1888.
	£ E.	£ E.	£ E.	£ E.
BUDGET ORDINAIRE.				
I. Contributions Directes—				
1. Impôts fonciers—				
Kharadj	4,432,800	384,935	1,572,970	1,579,394
Ouchouri	719,600	44,472	193,646	176,684
Dîmes sur les dattiers	89,030	828	3,546	1,148
Autres impôts fonciers	29,670	2,658	9,906	10,395
2. Autres Contributions Directes—				
Impôts professionnels	165,000	9,088	30,202	23,817
Droits sur les propriétés urbaines	130,000	10,540	76,520	41,743
.. .. moutons et les chèvres	35,000	7,031	20,819	5,611
.. .. voitures et les bêtes de somme	8,000	320	6,227	6,248
.. .. pressoirs d'huile	3,000	341	970	1,084
II. Contributions indirectes—				
1. Douanes	666,000	39,895	273,576	312,307
2. Tabac, tombac, et cigares—				
Droit sur le tabac, le tombac, et les cigares étrangers	454,000	34,686	209,965	161,510
Droit sur le tabac et le tombac indigènes	11,900	24,218	28,552	1,380
3. Octrois	310,000	26,137	146,960	147,357
4. Sel et natron	220,000	18,722	94,351	88,833
5. Pêcheries—				
Matarieh	49,400	2,369	18,254	18,282
Marchés d'Alexandrie et de Broullos	13,680	768	5,239	5,810
Droits de marchés de poissons	21,920	1,118	8,244	9,932
6. Droits de navigation	80,000	3,561	32,296	34,474
7. Timbre et enregistrement—				
Papier timbré	48,500	3,206	20,694	22,132
Droits d'enregistrement	6,500	713	3,159	2,737
8. Droits divers—				
Droits de pesage	27,000	634	5,705	11,020
Droits d'abatage	27,200	2,086	12,404	12,540
Autres droits	14,900	859	6,716	7,651
III. Revenus des Administrations de Recettes—				
1. Chemins de fer	1,390,000	82,317	608,385	611,670
2. Ligne et port du Mex	600	..	..	5,239*
3. Télégraphes	25,000	1,864	13,858	13,374
4. Port d'Alexandrie	110,000	6,075	52,031	56,583
5. Postes	116,000	7,722	53,698	53,273
6. Paquebots-poste	115,000	11,636	52,674	49,858
7. Phares	95,000	8,708	52,478	49,590
8. Ports (autres que celui d'Alexandrie)	3,400	314	1,758	1,343
9. Bureau de poinçonnement d'orfèvrerie	5,500	250	1,973	3,020

* Cette somme représente les recettes de la ligne de Hélanon.

Dénomination des Recettes.					Recettes réalisées—			
					Prévisions budgétaires de 1889.	Pendant le Mois de Juin 1889.	Du 1 ^{er} Janvier à fin Juin 1889.	Pendant la période correspondante de 1888.
					£ E.	£ E.	£ E.	£ E.
IV. Recettes des Services Administratifs—								
1. Ministère de la Justice—								
	Tribunaux Indigènes.	Tribunaux Mixtes.	Mehké- mehs.	Total.				
	£ E.	£ E.	£ E.	£ E.				
Droits de timbre ..	4,441	7,523	..	11,964	18,950	1,694	11,964	9,119
„ d'enregistre- ment ..	1,822	70,019	..	71,841	106,800	11,306	71,841	62,748
„ judiciaires ..	25,555	29,853	37,832	93,240	184,250	13,773	93,240	97,778
	31,818	107,395	37,832	177,045				
2. Recettes des divers Ministères ..	..	..	..	..	60,000	3,310	23,250	28,811
3. Produit du rachat du service militaire ..	..	..	..	..	100,000	10,351	63,418	71,610
V. Location et produits des propriétés du Gouvernement ..	..	..	..	..	80,000	9,685	24,375	24,064
VI. Recettes du Gouvernorat de Souakin ..	..	..	..	..	12,500	934	7,410	5,777
VII. Retenue sur les traitements du personnel ..	..	..	..	..	70,000	1,289	29,776	29,181
					10,037,000	790,503	3,943,230	3,855,127
A déduire—								
Non-valeurs ..	..	..	..	..	490,000	..	..	..
Total ..	..	..	..	..	9,567,000	790,503	3,943,230	3,855,127
Encaisse au 1^{er} Janvier, 1889.								
A la Caisse de la Dette Publique—				£ E.				
Versements des services affectés ..	..	..	..	1,233,962				
Fonds de réserve général ..	..	..	..	571,902				
„ des chemins de fer ..	..	..	..	16,579				
Autres services ..	..	..	..	151,001				
							1,973,444	
A la Caisse du Ministère des Finances et dans les autres Caisse du Trésor—								
Service budgétaire ..	..	..	..	647,656				
Fonds de réserve spécial ..	..	..	..	160,728				
							808,384	
Dans les banques ..	..	..	..	..			76,545	
Total ..	..	..	..	..			8,702,840	

DÉPENSES.

Dénomination des Dépenses.					Dépenses effectuées—			
					Prévisions budgétaires de 1889.	Pendant le Mois de Juin 1889.	Du 1 ^{er} Janvier à fin Juin 1889.	Pendant la période correspondante de 1888.
					£ E.	£ E.	£ E.	£ E.
BUDGET ORDINAIRE.								
I. Liste Civile, allocations, et Cabinet de Son Altesse le Khédive—								
1. Liste Civile de Son Altesse le Khédive ..	..	..	..	..	90,000	42	45,208	45,000
2. Allocations à la famille Khédiviale ..	..	..	..	..	128,833	1,566	64,691	103,966
3. Cabinet de son Altesse le Khédive ..	..	..	..	..	60,000	2,099	31,868	32,099
II. Frais d'Administration et de Perception—								
1. Conseil des Ministres ..	..	..	..	..	6,209	13	2,692	2,663
2. Conseil Législatif ..	..	..	..	..	8,600	7	4,224	4,588
3. Ministère des Affaires Étrangères ..	..	..	..	..	11,006	55	5,481	6,093

Dénomination des Dépenses.					Dépenses effectuées—			
					Prévisions budgétaires de 1889.	Pendant le Mois de Juin 1889.	Du 1 ^{er} Janvier à fin Juin 1889.	Pendant la période correspondante de 1888.
					£ E.	£ E.	£ E.	£ E.
II. Frais d'Administration et de Perception (suite)—								
4. Ministère des Finances—								
Administration Centrale—								
Hauts fonctionnaires ..	..	..	..	..	8,100	..	2,700	4,050
Secrétariat Général ..	..	..	..	..	9,492	..	4,917	7,485
Général Direction de la Comptabilité de l'État ..	..	..	..	..	36,282	84	16,987	17,703
Direction Général des Contributions Indi- rectes et des Octroi ..	..	..	..	..	9,546	52	4,516	4,904
Direction des Contributions Directes ..	..	..	..	..	7,740	..	3,836	3,838
Inspecteurs, mouawens, personnel de la statistique et agents hors cadres ..	..	..	..	..	9,249	..	4,547	4,972
Dépenses diverses ..	..	..	..	..	11,415	564	5,814	6,012
Service du Conseiller Financier ..	..	..	..	..	5,500	107	2,578	2,952
Caisse de la Dette Publique ..	..	..	..	..	29,968	994	7,912	15,794
5. Ministère de l'Instruction Publique ..	..	..	..	..	69,816	2,057	37,443	35,755
6. Ministère de l'Intérieur—								
Administration Centrale ..					29,512	472	12,605	12,732
Services Sanitaires ..	..	..	..	..	93,362	5,352	47,538	46,771
Répression de la Traite ..	..	..	..	..	7,077	445	3,081	..
Archives Égyptiennes ..	..	..	..	..	3,933	6	2,074	2,277
7. Ministère de la Justice—								
Administration Centrale ..					14,662	128	7,625	5,724
Contentieux de l'État ..	..	..	..	..	23,914	443	11,652	12,775
Tribunaux de la Réforme ..	..	..	..	..	186,524	10,571	75,395	76,680
Tribunaux Indigènes ..	..	..	..	..	143,090	3,089	55,221	59,433
Mehkémehs ..	..	..	..	..	36,783	523	18,164	17,938
8. Ministère des Travaux Publics—								
Administration Centrale ..					47,099	361	18,970	25,155
Service des Irrigations ..	..	..	..	..	255,125	21,917	138,106	130,678
Service des villes ..	..	..	..	..	139,350	6,157	47,302	69,979
Musée ..	..	..	..	..	6,276	155	2,632	3,246
Cadastré ..	..	..	..	..	..	..	..	9,417
9. Services divers des Ministères—								
Caravane de la Mecque et de Médine ..	..	..	..	..	41,730	631	4,294	24,129
Subventions et allocations ..	..	..	..	..	16,173	689	10,550	10,519
Economat général ..	..	..	..	..	15,200	448	8,123	11,472
Autres services ..	..	..	..	..	14,669	1,175	5,097	12,862
10. Services administratifs et de perception des Pro- vinces, Gouvernorats, et Municipalités ..					336,417	14,190	155,275	159,660
11. Douanes ..	..	..	..	..	93,340	2,621	44,575	51,414
12. Octrois ..	..	..	..	..	44,578	393	20,910	22,263
13. Sel et natron ..	..	..	..	..	66,020	3,450	27,397	28,916
14. Pêcheries ..	..	..	..	..	11,381	378	4,137	4,995
15. Perception des droits de navigation ..	..	..	..	..	3,391	22	1,388	1,409
III. Dépenses des Administrations de Recettes—								
1. Chemins de fer ..	..	..	..	..	585,000	44,868	265,159	231,125
2. Ligne et port du Mex ..	..	..	..	..	600	..	..	2,297*
3. Télégraphes ..	..	..	..	..	35,000	2,300	16,021	16,440
4. Port d'Alexandrie ..	..	..	..	..	19,872	1,062	7,753	8,727
5. Postes ..	..	..	..	..	97,049	6,960	44,972	44,826
6. Paquebots-poste ..	..	..	..	..	103,590	11,384	58,397	51,245
7. Phares ..	..	..	..	..	29,760	1,234	13,131	13,329
8. Ports (autres que celui d'Alexandrie) ..	..	..	..	..	10,669	426	4,927	5,047
9. Bureau de polioinement d'orfèvrerie ..	..	..	..	..	1,883	..	921	1,160
IV. Sécurité Publique—								
1. Ministère de la Guerre ..	..	..	..	..	367,848	20,379	186,083	157,440
2. Divisions de la sécurité publique ..	..	..	..	..	212,875	11,590	94,208	108,799
3. Corps Disciplinaire ..	..	..	..	..	2,238	55	653	947
4. Armée d'Occupation ..	..	..	..	..	107,250	..	26,813	..
V. Gouvernorat de Souakin—								
Dépenses civiles ..	..	..	..	..	25,000	2,370	11,186	11,972
Dépenses militaires ..	..	..	..	..	84,000	7,000	42,000	..
VI. Pensions—								
Pensions ..	..	..	..	..	500,000	19,765	244,437	247,385
Indemnités de licenciement ..	..	..	..	..	..	1,966	24,952	8,141
VII. Tribut et Dette Publique—								
1. Tribut de l'Égypte ..	..	..	..	..	678,397	25,057	284,322	290,904
2. Intérêts des actions du Canal de Suez ..	..	..	..	..	193,858	..	..	..
3. Daira Khassa ..	..	..	..	..	34,000	..	17,000	17,000
4. Monakabala ..	..	..	..	..	150,000	35	147,667	149,885
5. Intérêts sur avances ..	..	..	..	..	3,000	..	..	..
6. Frais de change ..	..	..	..	..	3,037	..	..	..
Complément du service des Domaines et de la Daira Sanieh ..	..	..	..	..	275,000	..	17,807	62,538

* Cette somme représente les dépenses de la ligne de Hélovan.

Dénomination des Dépenses.	Prévisions budgétaires de 1889.	Dépenses effectuées—		
		Pendant le Mois de Juin 1889.	Du 1 ^{er} Janvier à fin Juin 1889.	Pendant la période correspondante de 1888.
VIII. Dépenses imprévues	£ E. 10,000	£ E. 2,321	£ E. 10,595	£ E. 5,732
Dépenses rémunératrices	..	..	..	7,207
IX. Suppression partielle de la corvée—				
1. Suppression partielle de la corvée	250,000	26,323	177,063	161,709
Total des dépenses administratives	5,861,318	266,329	2,663,795	2,702,092
Service de la Dette Consolidée—				
Dette Garantie—				
Intérêts	307,125	..	153,562	153,562
Amortissements	1,086,969	..	543,485	543,485
Dette Privilégiée	2,183,588	..	1,091,784	1,091,794
Dette Unifiée	130,000	..	..	..
Emprunt 4½ pour Cent	9,569,000	266,329	4,452,626	4,490,933
A déduire—				
Économies à réaliser par application de la décision du Conseil des Ministres interdisant toute promotion et toute augmentation de traite- ment en 1889	10,000	..	..	..
Total	9,559,000	266,329	4,452,626	4,490,933
Rachat des pensions de £ E. 1 et au dessous (à prélever sur le fonds de réserve spécial)	..	34,321	..	..
Rachat des allocations accordées pour terres cédées à l'État et dont le montant est inférieur à £ E. 5 (à prélever sur le fonds de réserve spécial)	..	8,459	..	..
Soummes employées à l'amortissement de l'Emprunt Garanti	..	..	20,058	..
.. .. . de la Dette Unifiée	..	..	468	..
.. .. . de l'Emprunt 4½ pour Cent	..	..	14,196	..
Dépôts, avances et comptes spéciaux	..	..	1,408,818	..
Encaisse au 30 Juin, 1889.				
A la Caisse de la Dette Publique—				
Versements des services affectés	..	919,075	..	..
Fonds de réserve général	..	591,985	..	..
Fonds de réserve des chemins de fer	..	16,579	..	..
Autres services	..	56,414	..	..
A la Caisse du Ministère des Finances et dans les autres Caisses du Trésor—				
Service budgétaire	..	812,363	..	..
Fonds de réserve spécial	..	239,425	..	..
Dans les banques	..	..	1,051,788	..
Total	..	..	128,053	..
Total	..	..	8,702,840	..

COMPTE de l'Emprunt Garanti 3 pour Cent, arrêté au 30 Juin, 1889 (Décret du 27 Juillet, 1885).

RECETTES.

	1885.	1886.	1887.	1888.	1889.	Total.
	£ E.	£ E.	£ E.	£ E.	£ E.	£ E.
I. Produit de l'Emprunt Garanti 3 pour Cent	8,459,821	313,956	1,142	3	..	8,774,922
II. Biens libres et autres	437,505	14,450	103,303	52,598	11,869	619,720
III. Recouvrements sur arriérés à fin 1879	95,000	17,000	29,000	37,191	8,500	186,691
IV. Intérêts produits par le placement des fonds de l'Emprunt Garanti	..	1,094	26,023	763	..	27,880
V. Liquidation de la guerre (vente de vieux matériel)	..	120,000	..	..	..	120,000
Total	8,992,326	466,500	159,468	90,550	20,369	9,729,213
A déduire—						
Fonds de Trésorerie	..	..	..	..	..	500,000
Total	..	..	..	..	..	9,229,213
A ajouter—						
Somme prélevée sur les fonds de l'Emprunt 4½ pour Cent et avances faites par le Ministère des Finances	..	..	..	..	..	322,262
Total	..	..	..	..	..	9,551,475

DÉPENSES.

	1885.	1886.	1887.	1888.	1889.	Total.
	£ E.	£ E.	£ E.	£ E.	£ E.	£ E.
I. Indemnités	4,140,114	3,678	164	..	..	4,143,956
II. Déficit à fin 1884—						
1887	..	..	..	..	..	64,138
A déduire—						
Versement fait par le Gouvernement Anglais	..	..	..	..	..	50,000
Total	14,138	..	..	..	..	14,138
III. Déficit de 1885 (services non affectés)	100,000	..	..	..	..	100,000
IV. Douanes et Palais de Justice (déduction faite de £ E. 96,096 comprises dans le déficit à fin 1884)	32,107	56,453	11,440	..	..	100,000
V. Soudan*	392,015	421,798	70,370	70,608	20,088	974,879
VI. Travaux extraordinaires d'irrigation	..	113,933	365,782	366,737	119,371	965,823
VII. Frais d'émission, transport de numéraire, perte de change et autres	..	77,887	231	34,096	..	112,214
VIII. Rachat de pensions	..	79,058	429,780	41,162	..	550,000
Total	7,233,418	752,807	891,905	526,230	147,115	9,551,475

	1885.	1886.	1887.	1888.	1889.	Total.
	£ E.	£ E.	£ E.	£ E.	£ E.	£ E.
* V. Soudan—						
Guerre	124,169	362,336	134,793	..	..	621,298
Police	42,717	49,200	..	..	..	91,917
Soudan	225,129	94,766	61,752	70,608	20,088	472,343
Pensions	..	110,496	90,000	..	..	200,496
Total	392,015	616,798	286,545	70,608	20,088	1,386,054
A déduire—						
Les versements faits par le Gouvernement Anglais	..	195,000	216,175	..	..	411,175
Total	392,015	421,798	70,370	70,608	20,088	974,879

SITUATION au 30 Juin, 1889, des Crédits alloués sur les Fonds de l'Emprunt Garanti.

	Crédits autorisés par la Convention.	Dépenses effectuées.	Solde disponible.
	£ E.	£ E.	£ E.
Indemnités	4,143,956	4,143,956	..
Déficit à fin 1884	2,654,603	..	..
Moins les remboursements faits par le Gouvernement Anglais en 1887	50,000	..	..
Total	2,604,603	2,657,000	52,397
Déficit à fin 1885	..	100,000	..
Douanes et Palais de Justice	..	100,000	..
Soudan—			
Montant des dépenses	1,386,054	..	..
Moins les versements faits par le Gouvernement Anglais en 1886 et 1887	411,175	..	..
Total	974,879	1,000,000	25,121
Travaux extraordinaires d'irrigation	..	1,000,000	965,823
Frais d'émission du Nouvel Emprunt	..	112,214	112,214
Fonds de Trésorerie	..	500,000	500,000
Rachat de pensions	..	550,000	..
Total	..	10,163,170	9,551,475
A déduire—			
Fonds de Trésorerie qui figure dans le solde en caisse	..	..	500,000
Total	..	..	111,695
A ajouter—			
Excédent des dépenses sur les recettes de l'Emprunt Garanti, couvert par un prélèvement sur les fonds de l'Emprunt 4½ pour Cent et par les avances faites par le Ministère des Finances	..	..	322,262
Valeur présumée des terres libres	..	..	433,957

VALEUR des Fonds de Réserve du Gouvernement Égyptien au 15 Juillet, 1889.

				En titres.	En numéraire.	
				£ E.	£ E.	£ E.
Fonds de réserve général	..	..	..	663,867	7,382	671,249
" " spécial	..	..	..	98,299	143,166	241,465
						16,579
" " de l'Administration des Chemins de Fer	..	..	..			929,293
Total	..	..	..			£953,121
Soit..	..	..	..			

COMPTE du Fonds de Réserve de l'Administration des Chemins de Fer, arrêté au 30 Juin, 1889.

RECETTES.		DÉPENSES.	
	£ E.		£ E.
Economies réalisées dans les dépenses des Chemins de Fer par rapport au 45 pour cent fixé par le Décret du 27 Juillet, 1885—		Solde disponible à la Caisse de la Dette Publique ..	16,579
Exercice 1887	16,420		
Exercice 1888	159		
	16,579		16,579

SITUATION de la Dette Publique à fin Juin 1889.

			Titres en circulation au commencement de l'Année.	Amortissements effectués.	Titres en circulation à fin Juin.
			£	£	£
Emprunt Garanti	..	..	9,152,100	20,500	9,131,600
Dette Privilegiée	..	..	22,296,800	..	22,296,800
Dette Unifiée	..	..	55,989,440	520	55,988,920
Emprunt Domanial	..	..	5,530,820	..	5,530,820
Dette Daïra Sanieh	..	..	8,636,480	9,000	8,627,480
Emprunt 4 1/2 pour Cent (émission du 30 Avril, 1888)	..	..	2,330,000	..	2,330,000
Totaux	..	..	103,935,640	30,020	103,905,620

Direction Générale de la Comptabilité de l'État.

Le Caire, le 15 Juillet, 1889.

No. 24.

Mr. Clarke to the Marquis of Salisbury.—(Received August 5.)

(No. 309. Confidential.)

My Lord,

WITH reference to Sir Evelyn Baring's despatch No. 155, Confidential, of the 19th March last, and to your Lordship's despatch No. 135 of the 12th April, I have the honour to report that the question of the reduction of M. Bouteron's salary has been finally settled.

The matter was referred last month to the "Contentieux," and I beg to inclose herewith copy of a document setting forth their opinion on the points submitted to them for decision. These points were, first, whether there was a contract between the Egyptian Government and the Domains Commissioners; and secondly, if a contract existed, what was its duration?

Your Lordship will see that as regards the first point the "Contentieux" were unanimously of opinion in the affirmative, and that on the second point two out of the three decided that the contract was of indefinite duration, and that it could not be annulled except with the assent of the English and French Governments.

Cairo, July 27, 1889.

At any other moment the Egyptian Government would have endeavoured to settle the matter with the French Government, and in the event of M. Bouteron refusing to accept a reduction of salary, would have requested his dismissal and the appointment of a successor. It was thought, however, that such a course might, owing to the present attitude of the French Government, give rise to considerable difficulties.

Negotiations were consequently opened with M. Bouteron himself with a view to some compromise being arrived at. M. Bouteron has now consented to consider his contract as expiring on the 31st December, 1890, up to which date he is to be entitled to receive a salary of 3,000l. In order, however, to avoid raising any discussion on this subject with the Commissioners of the Caisse de la Dette, the Egyptian Government have paid M. Bouteron a lump sum of £ E. 2,000, the difference for two years between the salary to which it has been agreed that he is entitled and the reduced salary of £ E. 2,000 a year, which he is to receive from the 1st January last.

Inclosed herewith are copies of the letters which have passed between Riaz Pasha and M. Bouteron on the conclusion of the matter.

M. Bouteron still remains entitled to receive an indemnity of £ E. 2,500 in the event of his being obliged to leave the service "par une circonstance de force majeure," and a similar sum is to be paid to his heirs in the event of his decease.

Mr. Gibson, the English Domains Commissioner, is not at present in Egypt. On his return here the question of his salary will be considered.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure 1 in No. 24.

Opinion.

SON Excellence le Président du Conseil des Ministres ayant invité le Contentieux de l'État à donner son avis sur ces questions:—

1^{re}. Y-a-t-il contrat entre le Gouvernement Égyptien et les Commissaires des Domaines?

2. Si oui, quelle en est la durée?

Le Comité du Contentieux a l'honneur de soumettre à son Excellence le Président du Conseil des Ministres le suivant avis:

Lorsqu'il fut question en 1878 de l'institution d'une Commission des Domaines de l'État dont feraient partie, concurremment avec un Administrateur Égyptien, deux Administrateurs étrangers, Anglais et Français, les Gouvernements d'Angleterre et de France firent cette réserve, que ces deux fonctionnaires ne pourraient être relevés de leurs fonctions sans l'agrément préalable de leurs Gouvernements respectifs. (Dépêche de l'Agence d'Angleterre au Ministère des Affaires Étrangères du 2 Novembre, 1878, et de l'Agence de France du 30 Janvier, 1879.)

Le Gouvernement Égyptien s'empessa d'adhérer à cette réserve. (Dépêche du Ministère des Affaires Étrangères à l'Agence d'Angleterre du 14 Décembre, 1878, et à l'Agence de France du 2 Février, 1879.)

L'Agence de France avait, par lettre du 24 Décembre, 1878, témoigné le désir de connaître les conditions du contrat que l'Administrateur Français aurait à signer avec le Gouvernement Égyptien et le montant du traitement qui lui serait alloué.

Par sa lettre du 30 Décembre suivant le Ministère des Affaires Étrangères répondait que le Conseil des Ministres avait décidé qu'il n'y avait pas lieu de passer un contrat, la position des Commissaires des Domaines étant assurée par les conditions mêmes de leur nomination. Leur traitement était fixé à £ E. 2,500 par an; après cinq ans de service, le fonctionnaire engagé recevait une année d'appointements et s'il quittait le service avant le terme de cinq ans il recevait une part proportionnelle au temps pendant lequel il aurait servi et basée sur le chiffre de £ E. 500 par an.

Les Agences d'Angleterre et de France ayant posé une question relative aux frais de voyage et de déplacement des Commissaires, Nubar Pacha répondit le 2 Janvier, 1879, que la somme allouée par le Gouvernement Égyptien pour ces frais serait de £ E. 500 une fois payée.

C'est dans ces conditions qu'eurent lieu les nominations de MM. Rowsell et Bouteron.

Or, ce sont ces conditions respectivement offertes et acceptées de part et d'autre

qui constituent un véritable contrat entre le Gouvernement Égyptien et les Commissaires, auxquels les dites conditions ont été officiellement communiquées.

Un contrat n'est en effet qu'une promesse acceptée, quelle que soit la forme de cette promesse et de cette acceptation. Il y a certains cas expressément établis par la loi et pour lesquels la stipulation d'un document écrit est exigé. En dehors de ces cas, ne constituant que des exceptions à la règle générale, les contrats peuvent être faits indifféremment par écrit ou verbalement devant l'autorité ou sous seing privé en présence de témoins ou sans témoins.

Le passage de la lettre adressée le 30 Décembre, 1878, par le Ministre des Affaires Étrangères à l'Agent de France, où il est dit qu'il n'y avait pas lieu de passer un contrat, la position des Commissaires des Domaines étant assurée par les conditions mêmes de leurs nominations, ne peut, par conséquent, être interprété qu'en ce sens, qu'au moment où un contrat avait déjà eu lieu par les correspondances échangées et fixant les conditions de l'engagement, il était inutile de passer un nouveau contrat qui n'aurait pu que contenir la stipulation de ces mêmes conditions.

Il n'y a donc aucun doute qu'entre le Gouvernement Égyptien et les Commissaires étrangers il y ait contrat.

La première question serait donc résolue affirmativement.

Quelle est la durée de ce contrat? C'est la seconde question posée au Contentieux de l'État.

Si dans les correspondances échangées au sujet de l'engagement des Commissaires étrangers des Domaines, et constituant, ainsi qu'il a été dit, un véritable contrat, on ne trouve nul part la fixation d'un terme quelconque pour la durée de leur engagement, il a été d'autre part établi dans ces mêmes correspondances que les deux Commissaires ne pourront être relevés de leurs fonctions sans l'agrément préalable de leurs Gouvernements.

Ce n'est donc que cet agrément qui pourrait mettre fin à leur contrat, jusque là le contrat doit forcément subsister.

On ne saurait objecter que, en admettant cette thèse, il en résulterait la perpétuité des contrats des Commissaires des Domaines, perpétuité qui n'était certainement pas dans l'esprit des Gouvernements et surtout dans celui du Gouvernement Égyptien. Loin de là, ces contrats peuvent cesser à chaque instant dès que le Gouvernement Égyptien et celui dont relève l'un des Commissaires sont tombés d'accord pour relever ce dernier de ses fonctions. La durée du contrat dont s'agit pourrait ainsi être d'un grand nombre d'années comme d'un seul jour, et la clause relative au licenciement peut être considérée comme ayant été stipulée aussi bien dans l'intérêt des Gouvernements que dans celui du Gouvernement Égyptien, puisque l'accord des deux Gouvernements est exigé.

Il n'y a donc rien d'extraordinaire dans une stipulation pareille, qui d'ailleurs, qu'elle quelle soit, doit être respectée de part et d'autre jusqu'à ce que les conditions établies en soient modifiées d'un commun accord.

Dans ce qui précède l'examen des deux questions posées au Comité a été fait uniquement au point de vue des engagements contractés par le Gouvernement Égyptien par l'intermédiaire des Gouvernements Anglais et Français, abstraction faite du contrat du 1^{er} Février, 1879, intervenu en dehors de ceux-ci et directement entre le Gouvernement Égyptien d'une part, et MM. de Rothschild d'une deuxième part, et MM. Bouteron, Rowsell, et Rustem Pacha d'une troisième part.

Cet acte a été passé à la date précitée quand il s'est agi de régulariser, sous le rapport de la loi civile Égyptienne en vigueur, la constitution du gage et de l'hypothèque.

La nécessité de cette régularisation s'est imposée à un certain moment, et c'est alors que dans l'opinion de M. Pietri, loin de porter atteinte à la fixation contractuelle du traitement des Commissaires étrangers, arrêté déjà sous l'égide et la garantie de leurs Gouvernements respectifs, qui les mettait à l'abri d'un licenciement intempestif, l'effet de cet accord a été définitivement consacré par la détermination de la durée des fonctions de ces Commissaires.

L'Article 2 du contrat du 1^{er} Février, 1879, est ainsi conçu :—

“ Pour donner à l'emprunt plus de garantie, assurer d'une manière efficace le paiement des intérêts et au besoin l'amortissement du capital ;

“ Dans l'intérêt des contractants sus-nommés de l'emprunt, et par suite des porteurs des obligations, les biens susmentionnés, qui sont déjà actuellement entre les mains de la Commission des Domaines, provisoirement livrés à MM. Bouteron et Rowsell et son Excellence Rustem Pacha, respectivement désignés par les Gouvernements Français, Anglais, et Égyptien, lesquels entreranno en possession des dits biens en vertu des

présentes, et les retiendront à titre de gage en leur qualité de tiers convenus entre les parties jusqu'à l'acquittement intégral de l'emprunt en principal, intérêts et accessoires ;

“ Les Commissaires exerceront leurs attributions telles qu'elles ont été définies par les Décrets des 26 Octobre, 1878, et 30 Janvier dernier, et par le contrat du 31 Octobre. Ils devront en conséquence se conformer aux clauses et conditions insérées dans les règlements qui seront approuvés par le Conseil des Ministres.”

Il résulte des termes de cet Article que les Commissaires étrangers doivent rester à leur poste en qualité de tiers détenteurs convenus du gage jusqu'à remboursement intégral de l'emprunt, de quelque manière qu'il ait lieu et quel que soit le laps de temps nécessaire pour l'opérer.

Voilà, d'après M. Pietri, comment la durée du contrat de louage des services s'est trouvée formellement déterminée par la durée même de la mission confiée aux tiers détenteurs du gage des domaines de l'État, ce qui est d'ailleurs conforme au but que se proposaient les Commissaires étrangers lorsque précédemment ils faisaient promettre à leurs Gouvernements respectifs qu'ils ne seraient point relevés de leurs fonctions par le Gouvernement Égyptien sans le consentement de ces mêmes Gouvernements.

En résumé :

Sur la première question—

Le Comité à l'unanimité estime que le traitement de M. Bouteron résulte d'un contrat.

Sur la deuxième question—

L'avis de MM. Keller Pacha et de Roccaserra est que la durée du contrat est indéterminée : que partant il est résiliable à tout moment sous réserve des arrangements internationaux à cet égard, c'est-à-dire avec le consentement des Gouvernements intéressés.

De l'avis de M. Pietri, au contraire, la durée du contrat de M. Bouteron a été fixée par le contrat de gage : en conséquence ce contrat ne prend fin qu'avec le contrat de gage lui-même.

(Signé)

A. M. PIETRI.
CH. DE ROCCASERRA.
KELLER.

Le Caire, le 11 Juin, 1889.

Inclosure 2 in No. 24.

Riaz Pasha to M. Bouteron.

M. le Commissaire,

VOUS avez consenti verbalement à ce que votre traitement annuel fût réduit à partir du 1^{er} Janvier, 1889, à £ E. 2,000.

Il demeure entendu que dans le cas où vous vous trouveriez obligé de cesser votre service par une circonstance de force majeure provenant du fait du Gouvernement Égyptien, ou une incapacité de travail occasionnée par une maladie, vous aurez droit à une indemnité de £ E. 2,500 nette de toute retenue. Pareille indemnité est due à vos héritiers dans le cas où vous viendrez à mourir, fût-ce en temps de congés.

Veillez, &c.

Le Président du Conseil des Ministres,
(Signé) RIAZ.

Inclosure 3 in No. 24.

M. Bouteron to Riaz Pasha.

Excellence,

VOTRE lettre du 9 de ce mois, traduisant exactement notre accord verbal. J'ai l'honneur de vous informer que, en mon nom personnel, j'en accepte les termes.

J'ajoute, suivant votre désir verbal, que le cas de force majeure provenant du fait du Gouvernement Égyptien ne s'applique qu'au cas où je viendrai à cesser mon service par suite du remboursement intégral de l'emprunt domanial.

Veillez, &c.

(Signé) BOUTERON.

No. 25.

Mr. Dering to the Marquis of Salisbury.—(Received August 5, 10 P.M.)(No. 27.)
(Telegraphic.)*Rome, August 5, 1889, 7 P.M.*

YOUR Lordship's No. 26.

I learn from Italian Foreign Office that Italian Government have instructed Signor Macchiavelli to remain temporarily at his post as Italian Commissioner of the Caisse. They are themselves now doubtful as to whether M. Vollaro would be a suitable substitute, and Signor Crispi has cancelled all preparations for his appointment. An official reply to this effect will shortly be sent me.

No. 26.

Mr. Dering to the Marquis of Salisbury.—(Received by telegraph, August 5.)

(No. 166. Ext. 27.)

Rome, August 5, 1889.

My Lord,

I CALLED at the Foreign Office this morning, but was unable to see Signor Crispi himself. His Confidential Secretary, however, in reply to my inquiry, told me that Signor Macchiavelli, the present Italian Commissioner of the Caisse in Egypt, had received instructions to remain temporarily at his post.

Signor Vollaro (or Vollano) was a clever, bustling lawyer, who had been in the Chamber, but so soon as Signor Crispi had heard that objections had been raised to his nomination on the part of the Egyptian Government, orders had been given to cancel the preparations for his appointment. His Excellency was not at all certain that his qualities fitted him for this post, as he quite shared the opinion of Her Majesty's Government, that the new Commissioner should work in entire harmony with the English and Egyptian authorities.

Signor Mayor said I might consider this reply as definitive, and he would have it at once embodied in a note, which I had hoped to have been able to forward to your Lordship by to-day's messenger, but it has not yet reached me.

I have, &c.

(Signed) HENRY NEVILL DERING.

No. 27.

*War Office to Foreign Office.—(Received August 10.)**War Office, Pall Mall, August 9, 1889.*

Sir,

I AM directed by the Secretary of State for War to inform you that on the 9th February last the General Officer commanding the troops in Egypt forwarded to this Office a letter from the Sirdar, dated the 29th January, and raising the question of the incidence of the charge, as between British and Egyptian funds, on account of the then recent expeditions to Suakin and Assouan.

As there was some question in February last whether the contribution payable by the Egyptian Government in respect of the ordinary expenses for the year 1888-89, viz., 110,000*l.*, might not prove to be in excess of the sum expended by the Home Government, Mr. Stanhope decided not to press any claim on account of Suakin and Assouan until the accounts for the year had been received and analyzed.

It now appears, from the data available, that the original estimate of 110,000*l.* was to some extent excessive, and that, with strict economy, the actual excess expenditure for ordinary services liable to fall on Egyptian funds was 106,000*l.* only. On the other hand, the total actual expenditure, including the expenditure on account of Suakin and Assouan, amounted to 116,000*l.*, so that, as a net result, the Egyptian Government is still liable for a sum of 6,000*l.* This amount has been temporarily defrayed out of army funds; but I am to suggest that it may be charged against the Egyptian Government, and steps taken to effect a recovery, inasmuch as large expenditure is now being incurred on Egyptian account, for which that Government may fairly be held liable up to a total sum of 200,000*l.* annually.

I have, &c.

(Signed) W. ST. JOHN BRODRICK.

No. 28.

Foreign Office to War Office.

Sir,

Foreign Office, August 13, 1889.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 26th ultimo relative to the Report of the Commission appointed to investigate the question of the expenses of the Army of Occupation in Egypt, and I am to state that after conferring with Her Majesty's Agent and Consul-General at Cairo, who is now in this country on leave, his Lordship desires to offer the following observations for the consideration of Mr. Secretary Stanhope.

The present state of affairs in Egypt is obviously very different to that which existed when the Commission reported last May. His Lordship trusts, however, that as soon as the military situation permits, the English force will be reduced to the members necessary to preserve order in Egypt proper. It does not seem necessary to maintain in Egypt a large English reserve for purposes of frontier defence.

While regretting that Mr. Stanhope cannot see his way to carrying out all the reductions proposed by the Commission, Lord Salisbury trusts that, in any case, when the force is reduced, the question of reducing the medical establishment will be duly considered.

In view of the fact that all the economies recommended by the Commission cannot be carried out, I am to state, with reference to paragraph 5 of your letter under reply, that Lord Salisbury is of opinion that it will not be advisable to increase the rate of colonial allowance granted to officers serving in Egypt.

I am, &c.

(Signed) P. CURRIE.

No. 29.

The Marquis of Salisbury to Mr. Clarke.

(No. 229.)

Foreign Office, August 13, 1889.

Sir,

I TRANSMIT to you herewith a copy of a letter from the War Office relative to the Army of Occupation expenses for the year 1888-89.*

It appears that in consequence of the expeditions in the winter to Suakin and Assouan, the actual extra expenditure for the year in question, including the expeditions to Suakin and Assouan, amounted to 116,000*l.*, towards which the Egyptian Government paid 110,000*l.* There is thus a balance due to the English Exchequer of 6,000*l.*, and I have to instruct you to address a note to the Egyptian Government, explaining the circumstances as stated in the letter from the War Office, and requesting that the sum in question may be repaid to the credit of army funds.

I am, &c.

(Signed) SALISBURY.

No. 30.

Mr. Clarke to the Marquis of Salisbury.—(Received August 14, 1:30 P.M.)

(No. 121.)

Cairo, August 14, 1889.

(Telegraphic.)

SIR E. VINCENT has asked me to telegraph following to your Lordship:—

“(Figures are in Egyptian pounds.)

“The financial position here is as follows:—

“In the present year, after allowing £ E. 350,000 for reduction of taxation on account of low Nile, and paying cost of military expedition out of revenue, there will be a small surplus, provided the cotton crop proves as good as is now expected.

“The estimates for 1890 are as follows: revenue, £ E. 9,826,000; expenditure, £ E. 9,423,000; surplus, £ E. 403,000.

* No. 27.

"These figures take no account of economy through conversion of Privileged Debt.

"Conversion would reduce the expenditure by £ E. 160,000, bringing surplus up to £ E. 563,000.

"Reserve fund at the end of 1889 will amount to £ E. 1,100,000."

No. 31.

Mr. Clarke to the Marquis of Salisbury.—(Received by telegraph, August 14.)

(No. 325. Ext. 121.)

My Lord,

I HAVE the honour to transmit herewith a Statement drawn up by Sir E. Vincent, showing the present financial position of Egypt.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 31.

Statement by Sir E. Vincent.

THE financial position here is as follows:—

In the present year after allowing £ E. 350,000 for reduction of taxation on account of low Nile, and paying cost of military expedition out of revenue, there will be a small surplus, provided the cotton crop proves as good as is now expected.

The estimates for 1890 are as follows:—

	£ E.
Revenue	9,826,000
Expenditure	9,423,000
Surplus	403,000

These figures take no account of economy through conversion of Privileged Debt. Conversion would reduce the expenditure by £ E. 160,000, bringing surplus up to £ E. 563,000.

Reserve fund at the end of 1889 will amount to £ E. 1,100,000.

(Signed) EDGAR VINCENT.

August 14, 1889.

No. 32.

Mr. Clarke to the Marquis of Salisbury.—(Received August 17.)

(No. 319.)

My Lord,

I HAVE the honour to transmit herewith the Statement for July last, published by the Commissioners of the Public Debt in the "Journal Officiel" of yesterday, respecting the situation of the Guaranteed 3 per Cent. Loan, the Preference and Unified Debts, and the Guaranteed 4½ per Cent. Loan.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 32.

Extract from the "Journal Officiel" of August 3, 1889.

CAISSE DE LA DETTE PUBLIQUE.

Mois de Juillet 1889.

Etat Mensuel des Sommes versées à la Caisse de la Dette Publique.

EMPRUNT GARANTI 3 POUR CENT.

Échéance du 1 ^{er} Septembre, 1889—	£	s.
Capital restant à amortir	9,131,600	0
Dotation d'intérêts	136,974	0
Dotation d'amortissement	20,526	0
Total égal à la demi-annuité à prélever le 15 Août, 1889, comme première charge sur les revenus affectés au service de la Dette Priviliée et de la Dette Unifiée ..	157,500	0

DETTE PRIVILÉGIÉE.

Échéance du 15 Octobre, 1889—	£	s.
Capital restant à amortir	22,296,800	0
Dotation d'intérêts	557,420	0

Nota.—Le complément des dotations de la Dette Priviliée est prélevé sur les revenus de la Dette Unifiée.

Désignation des Administrations dont les Revenus sont affectés au Service de la Dette Priviliée.	Sommes versées—		Totaux au 31 Juillet, 1889.
	Du 1 ^{er} au 31 Juillet, 1889.	Du 15 Avril au 30 Juin.	
Chemins de Fer, Télégraphes, et Port d'Alexandrie	£ E. m. 39,000 000	£ E. m. 107,250 00	£ E. m. 146,250 000
Soit	..	..	£ 150,000

DETTE UNIFIÉE.

Échéance du 1 ^{er} Novembre, 1889—	£	s.
Capital restant à amortir	55,988,920	0
Dotation d'intérêts	1,119,778	8

Désignation des Administrations et Provinces dont les Revenus sont affectés au Service de la Dette Unifiée.	Sommes versées—		Totaux au 31 Juillet, 1889.
	Du 1 ^{er} au 31 Juillet, 1889.	Du 26 Avril au 30 Juin, 1889.	
Province de Garbieh	£ E. m. 60,121 592	£ E. m. ..	£ E. m. 60,121 592
" Ménoufieh	54,020 175	50,006 131	104,026 306
" Béhéra	230 888	11 109	241 997
" Siout	118,384 538	154,585 033	272,969 571
Douanes	30,214 097	76,860 707	107,074 804
Droits sur les tabacs d'importation	28,119 000	63,830 000	91,949 000
Excédent au 25 Avril, 1889	..	..	466,531 582
	291,090 290	345,292 980	1,102,914 852
Soit	..	..	£ 1,131,194

EMPRUNT GARANTI 4½ POUR CENT.*

	£	s.	d.
Echéance du 20 Décembre, 1889—	2,287,000	0	0
Capital restant à amortir	51,457	10	0
Dotations d'intérêts	15,209	3	4
Dotations d'amortissement	66,666	13	4
Total égal à la demi-annuité			

	Versements du 1 ^{er} au 31 Juillet, 1889.
Versements du Ministère	£ E. m. 21,666 666
Soit	£22,222

* Au service de cet Emprunt est affectée une annuité de £ E. 130,000, payable par versements mensuels du Ministère des Finances.

Les Commissaires-Directeurs,
(Signé) G. B. MACHIAVELLI.
Prince A. MOUROUSI.

Pour copie conforme :
Pour le Contrôleur,
(Signé) CESAR CAPRARA.

Le Caire, le 1^{er} Août, 1889.

No. 33.

Mr. Clarke to the Marquis of Salisbury.—(Received August 17, 4.30 P.M.)

(No. 122.)
(Telegraphic.)

Cairo, August 17, 1889, 4.15 P.M.

YOUR Lordship's telegram No. 79.
General Grenfell informs Sir E. Vincent and myself that he only proposes to occupy Sarras with about forty irregulars already in the Egyptian service; that no expense will be incurred in fortifying the place, and that only about 300l. or 400l. will be needed for repair of railway. These measures, Sir F. Grenfell thinks, prevent raiding, and will eventually lead to a reduction of the force at Wady Halfa. Question will be shortly submitted to consideration of Egyptian Government, when Riaz Pasha will give his opinion.

Sir E. Vincent and myself, under the circumstances, see no reason to object to the course proposed. Riaz Pasha and Sir F. Grenfell have no idea of advocating any extension of the frontier.

No. 34.

Mr. Clarke to the Marquis of Salisbury.—(Received August 21, 1 P.M.)

(No. 124.)
(Telegraphic.)

Cairo, August 21, 1889, 12.50 P.M.

SIR E. VINCENT has decided to accept offer of Ottoman Bank, and will resign present appointment in September or October.
Khedive and Riaz Pasha are anxious that there should be no change in financial policy which has been so successful.
Palmer knows the work thoroughly, and his appointment as Financial Adviser would be agreeable to the Egyptian Government.
Sir E. Baring is aware of Palmer's qualifications for the post, and Sir E. Vincent thinks he will be the best successor.

No. 35.

Mr. Clarke to the Marquis of Salisbury.—(Received by telegraph, August 21.)

(No. 327. Ext. 124.)

My Lord,

Cairo, August 21, 1889.

I HAVE the honour to report to your Lordship that Sir Edgar Vincent has decided to resign his appointment as Financial Adviser to the Khedive, and to accept an offer recently made him by the Paris and London Committees of the Imperial Ottoman Bank to undertake the Directorship, with very full powers of reorganization, of their important banking establishment at Constantinople.

The decision taken by Sir Edgar Vincent is viewed with great and universal regret at Cairo.

The successful financial policy which has been carried out in Egypt for the last few years with such beneficial results to the country is, to a great extent, due to Sir Edgar Vincent's initiative, and to the energy and tact with which he has supported the measures which it was necessary to introduce for the full development of the resources of the State.

His Highness the Khedive is, I hear, much grieved to lose the valuable services of Sir Edgar Vincent, and Riaz Pasha has expressed to me, in very strong and sincere terms, his own personal regret, and that of the Egyptian Government, at the resignation of an official who has contributed so greatly to overcome the financial difficulties with which Egypt has been beset.

There is a strong desire on the part of His Highness and Riaz Pasha that the present financial policy should undergo no change.

Mr. Palmer, at present Accountant-General, knows the work thoroughly, and his appointment as successor to Sir Edgar Vincent would be viewed with satisfaction by the Egyptian Government.

Sir Evelyn Baring is well aware of Mr. Palmer's qualifications for the post, and Sir Edgar Vincent is of opinion that his nomination as Financial Adviser would, in every way, be a suitable one.

In the event of Mr. Palmer obtaining this appointment, it would be necessary for the Egyptian Government to apply for the services of some English official to fill the post of Accountant-General. There is no one here, in the opinion of Sir Edgar Vincent, who would be fitted to take the place vacated by Mr. Palmer.

I have, &c.

(Signed) F. S. CLARKE.

No. 36.

War Office to Foreign Office.—(Received August 24.)

Sir,

War Office, August 21, 1889.

I AM directed by the Secretary of State for War to acknowledge the receipt of your letter of the 13th instant, and to acquaint you, in reply, that so soon as the troops in Egypt can be reduced to the force stationed there before the recent operations, steps will be taken to carry out the various reductions agreed to in the letter from this Office of the 26th ultimo.

I am, at the same time, to transmit the copy of a letter addressed from this Office to the Treasury on the 19th instant relative to the value of certain stores expended in Egypt, and also to the extra cost incurred by the Imperial Government on account of the recent operations in that country.

I have, &c.

(Signed) W. ST. JOHN BRODRICK.

Inclosure in No. 36.

War Office to Treasury.

Sir,

War Office, August 19, 1889.

REFERRING to the letter addressed to you on the 30th November, 1887, inclosing a Schedule of expenditure incurred by this country on account of the

Egyptian Government, I am directed by Mr. Secretary Stanhope to inclose, for the information of the Lords Commissioners of Her Majesty's Treasury, a summary of the stores referred to in items 1 and 2 of that Schedule.

Mr. Stanhope deems it expedient that it should be decided, as soon as possible, whether the value of these stores is to be charged against the Egyptian Government or not, so as to avoid queries which will probably be made, sooner or later, by the Controller and Auditor-General upon the examination of the store accounts.

In submitting this question for the consideration of their Lordships, I am to point out that it would be exceedingly costly to bring the bulk of these stores back to this country, and, therefore, in Mr. Stanhope's opinion, the use and consumption of them by the Egyptian Government should be sanctioned without charge.

If their Lordships agree in this view, Mr. Stanhope would suggest, when the decision is intimated to that Government, it should also be informed that the cost of the recent operations beyond the sum taken in this year's Estimates must be borne by the Egyptian revenues.

I am, &c.
(Signed) R. H. KNOX.

No. 37.

The Marquis of Salisbury to Mr. Clarke.

(No. 80.)
(Telegraphic.)

Foreign Office, August 24, 1889, 10.30 P.M.

YOUR telegram No. 124.

In view of wishes of Khedive and Egyptian Government, Her Majesty's Government have much pleasure in agreeing to the appointment of Mr. Palmer as Financial Adviser. Who is proposed as his successor?

No. 38.

The Marquis of Salisbury to Mr. Clarke.—(Substance telegraphed.)

(No. 238. Ext. 80.)

Foreign Office, August 24, 1889.

Sir,

I HAVE received your telegram No. 124 of the 21st instant, stating that Sir E. Vincent has decided to resign his appointment as Financial Adviser to the Egyptian Government, and that the Khedive and Riaz Pasha wish Mr. Palmer, who is thoroughly qualified for the post, to succeed him.

Her Majesty's Government have much pleasure in agreeing to Mr. Palmer's appointment, but they would like to know how it is proposed to fill the post of Accountant-General, now held by Mr. Palmer.

I am, &c.
(Signed) SALISBURY.

No. 39.

Mr. Clarke to the Marquis of Salisbury.—(Received August 26, 3.50 P.M.)

(No. 125.)
(Telegraphic.)

Cairo, August 26, 1889, 3.25 P.M.

YOUR Lordship's telegram No. 80.

Riaz Pasha requests me to thank Her Majesty's Government for agreeing to appointment of Mr. Palmer as Financial Adviser.

In the opinion of Sir E. Vincent there is none here fitted for the post of Accountant-General. Seeing that Ornstein's post has been abolished, I venture respectfully to submit to your Lordship the necessity of a new English official being named to succeed Palmer.

Riaz Pasha, although inclined to be of a different mind, begs that Palmer, who is now in England, may be consulted in the matter. His Excellency will abide by Palmer's opinion.

Sir E. Vincent left to-day for Paris.

No. 40.

The Marquis of Salisbury to Mr. Clarke.

(No. 81.)
(Telegraphic.)

Foreign Office, August 29, 1889.

DO not let Palmer's vacancy be filled up until Baring and he return.

No. 41.

The Marquis of Salisbury to Mr. Clarke.

(No. 239.)
Sir,

Foreign Office, August 29, 1889.

SIR E. VINCENT being about to resign his appointment as Financial Adviser to the Egyptian Government, Her Majesty's Government desire to place on record their sense of the important services which he has rendered during his tenure of that post.

When Sir E. Vincent assumed control of the Egyptian finances in 1883 the country was involved in serious financial difficulties, but at the commencement of the present year Sir E. Baring was able to report that Egyptian finance was established on a firm basis, and that it would require a series of untoward events to endanger its stability, or affect the solvency of the Egyptian Government.

This remarkable result is largely due to the able manner in which Sir E. Vincent has guided the financial policy of Egypt. He has found means to reduce expenditure and relieve the country of many of its burdens, while enlarging the sources of revenue. I should wish you to convey to him the acknowledgments of Her Majesty's Government and their good wishes for his success in his new sphere of action, in which it will be in his power to render valuable services to the Ottoman Empire and to all who are interested in its prosperity.

I am, &c.
(Signed) SALISBURY.

No. 42.

Mr. Clarke to the Marquis of Salisbury.—(Received August 30.)

(No. 328.)
My Lord,

Cairo, August 22, 1889.

I HAVE the honour to transmit herewith, taken from the "Journal Officiel" of yesterday, copy of a Report addressed by the Commissioners of the Caisse to His Highness the Khedive respecting the situation of the revenues affected to the 3 per Cent. Guaranteed Loan.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 42.

Extract from the "Journal Officiel" of August 21, 1889.

CAISSE DE LA DETTE PUBLIQUE.

Rapport adresse à Son Altesse le Khédive, en date du 15 Août, 1889.

Monseigneur,

Le Caire, le 15 Août, 1889.

CONFORMÉMENT aux prescriptions du Décret promulgué par votre Altesse le 27 Juillet, 1885, nous avons l'honneur de lui présenter la situation à ce jour des ressources affectées au service de l'Emprunt Garanti 3 pour Cent.

Les versements opérés, depuis le 15 Avril dernier, sur les revenus des Chemins de fer, Télégraphes, et Port d'Alexandrie, et depuis le 26 Avril sur les revenus des Douanes, Tabacs, et Provinces affectées, forment un total de 1,359,400l.

C'est sur cette somme que nous avons à prélever celle de 157,500l., moitié de

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l'annuité spécifiée par l'Article 4 du Décret sus-visé, le surplus restant disponible avec les recouvrements qui seront effectués jusqu'aux 14 et 25 Octobre, pour les échéances des Dette Privilégiée et Unifiée des 15 Octobre et 1^{er} Novembre.

La somme de 157,500^l. prélevée pour l'Emprunt Garanti est à employer comme suit:—

- 1^o. 136,974^l. pour le coupon du 1^{er} Septembre prochain (1 $\frac{1}{2}$ pour cent sur 9,131,600^l., capital de l'Emprunt après les amortissements des semestres précédents);
- 2^o. 20,526^l. à consacrer à un nouvel amortissement.

Nous avons l'honneur, &c.

Les Commissaires-Directeurs,

(Signé)

G. B. MACHIAVELLI.
Prince A. MOUROUSI.

No. 43.

Mr. Clarke to the Marquis of Salisbury.—(Received September 14, 4.15 P.M.)

(No. 132.)
(Telegraphic.)

Cairo, September 14, 1889, 2.25 P.M.

EGYPTIAN Government have addressed a Circular to the Representatives of the Powers requesting them to thank their respective Governments for agreeing to conversion scheme. French Acting Consul-General has received a note pointing out loss to the country involved by refusal, and again reiterating hope that French Government will assent to the measure. This action has been decided on in deference to Sir E. Vincent's counsels.

I will send your Lordship copies of the notes by Monday's post.

(Confidential.)

Riaz Pasha has little hope of the French Government giving their assent. He is much annoyed at M. Spuller's attempt to give political importance to visit of Egyptian Princes to Paris. He has authorized me to inform Her Majesty's Government, in the name of the Khedive and of himself, that the insincere assurances of friendship will be taken for what they are worth, and that they will not in any way influence the present attitude of the Egyptian Government towards the French.

No. 44.

Mr. Clarke to the Marquis of Salisbury.—(Received September 20.)

(No. 339.)
My Lord,

Cairo, September 9, 1889.

I HAVE the honour to transmit herewith the half-yearly Statement, published by the Commissioners of the Caisse in the "Journal Officiel" of the 7th instant, respecting the situation of the sinking fund to the Guaranteed 3 per Cent. Loan.

I have, &c.

(Signed) F. S. CLARKE.

Inclosure in No. 44.

Extract from the "Journal Officiel" of September 7, 1889.

CAISSE DE LA DETTE PUBLIQUE.

Amortissement de l'Emprunt Garanti 3 pour Cent.

Semestrialité du 1^{er} Septembre, 1889.

FONDS applicables à l'Amortissement.

	£	s.	d.
1. Fonds disponibles du semestre précédent	38	658	
2. Dotation d'amortissement de la semestrialité du 1 ^{er} Septembre, 1889 (20,526 ^l .)	20,012	850	
Total	20,051	508	

Emploi des Fonds.

Tirage au sort du 16 Juin, 1889 (voir "Journal Officiel" des 15 Mai et 19 Juin, 1889) pour la somme nominale de 20,500 ^l . remboursée au pair	19,987	500
Solde disponible	64	008

Par suite de cet amortissement, le capital de l'Emprunt Garanti 3 pour Cent, qui était au 1^{er} Septembre, 1889, de 9,131,600^l., se trouve réduit à 9,111,100^l.
La demi-annuité fixe de 157,500^l. du 1^{er} Mars, 1890, se décomposera comme suit:—

	£	s.	d.
Dotation d'intérêts	136,666	10	0
D'amortissement	20,833	10	0

Le Caire, le 5 Septembre, 1889.

Les Commissaires-Directeurs:

(Signé)

Prince A. C. MOUROUSI.
Comte ZALUSKI.

Pour copie conforme:

Pour le Contrôleur,
(Signé) CÉSAR CAPRARA.

No. 45.

The Marquis of Salisbury to Mr. Clarke.

(No. 87.)

(Telegraphic.)

Foreign Office, September 20, 1889, 11 A.M.

TREASURY are collecting money for completion of Consols conversion. There is nearly 100,000^l. due from Egyptian Government since the 1st June last for interest on Suez Canal shares, and about 50,000^l. becomes due on 1st October for Capitation Grant.

Please ascertain from Egyptian Government when payment will be made.

No. 46.

Mr. Clarke to the Marquis of Salisbury.—(Received September 21, 3 P.M.)

(No. 133.)

(Telegraphic.)

Cairo, September 21, 1889, 2.50 P.M.

YOUR Lordship's telegram No. 87.

Egyptian Government cannot pay sum now due for Capitation Grant and interest on Suez Canal shares until 30th November next, as there is want of funds owing to fall in revenue receipts due to "sharaki" lands.

Palmer will arrange for regular payment at fixed dates from next year.

No. 47.

Mr. Clarke to the Marquis of Salisbury.—(Received September 23.)

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(No. 341.)

My Lord,

Cairo, September 14, 1889.

I HAVE the honour to transmit herewith copy of a Circular note which has been addressed to the Representatives of the Powers in Egypt, requesting them to thank their respective Governments for their adhesion to the conversion scheme, and informing them that the Egyptian Government have made a fresh appeal to France, with a view to obtaining the assent of that Power to a financial measure which the French Cabinet itself has recognized as being of advantage to this country.

I beg also to inclose herewith, for your Lordship's information, copy of the note addressed by Zulfikar Pasha to M. Denant, the French Acting Agent and Consul-General here.

I have, &c.

(Signed) F. S. CLARKE.

Inclosure 1 in No. 47.

Zulfikar Pasha to Mr. Clarke.

(Circulaire.)

M. le Gérant,

Le Caire, le 12 Septembre, 1889.

DANS une précédente communication vous m'avez fait l'honneur de m'informer que le Gouvernement de Sa Majesté avait bien voulu donner son adhésion au projet de conversion de la Dette Privilegiée Égyptienne, qui faisait l'objet de ma Circulaire du 23 Mai dernier.

Le Gouvernement de Son Altesse apprécie comme elle le mérite cette nouvelle marque de bienveillance du Gouvernement de Sa Majesté, et me charge de vous prier de vouloir bien lui transmettre ses plus vifs remerciements pour tout l'intérêt qu'il a bien voulu ainsi témoigner à l'Égypte.

Le Gouvernement de Son Altesse a dû, toutefois, surseoir à la promulgation du Décret relatif à cette conversion, le Gouvernement Français, tout en reconnaissant, comme les autres Grandes Puissances, la légalité et les avantages de cette mesure, n'ayant pas cru être à même de donner immédiatement son adhésion au projet qui lui avait été soumis.

Toutefois, le Gouvernement Égyptien, qui maintient toujours son projet de conversion, a pensé devoir faire une nouvelle démarche auprès du Gouvernement de la République, dont la réponse précédente n'avait d'ailleurs rien de définitif; et il espère que le Cabinet de Paris, en présence de l'utilité incontestable pour l'Égypte de l'opération dont il s'agit, utilité qu'il a déjà reconnue, voudra bien y donner également son assentiment.

C'est alors que le Gouvernement de Son Altesse pourra profiter des bienveillantes dispositions témoignées par le Gouvernement de Sa Majesté en cette circonstance, en promulguant le Décret de la Conversion.

Veuillez, &c.

Le Ministre des Affaires Étrangères,
(Signé) ZOULFIKAR.

Inclosure 2 in No. 47.

Zulfikar Pasha to M. Denant.

M. le Chargé d'Affaires,

Le Caire, le 12 Septembre, 1889.

DANS votre communication du 20 Juillet dernier vous avez bien voulu me faire savoir que le Gouvernement de la République n'était pas encore à même de donner son assentiment au projet de conversion qui faisait l'objet de ma Circulaire du 23 Mai précédent.

Le Gouvernement de Son Altesse n'a donc jamais abandonné l'espoir de recevoir postérieurement du Cabinet de Paris une réponse favorable à ce projet. Cette espérance s'est d'ailleurs trouvée confirmée par les entrevues que Sir Edgar Vincent a eu l'honneur d'avoir dernièrement avec M. Spuller, qui a bien voulu l'assurer que son Gouvernement n'opposait pas un refus définitif à l'opération dont il s'agit et reconnaissait, au contraire, tout l'intérêt qu'elle présentait aussi bien pour l'Égypte que pour les porteurs de titres.

Cependant, tous retards apportés à la solution de cette importante question ne peuvent que préjudicier aux intérêts du pays et compromettre les avantages évidents qui en résulteraient.

Sans vouloir rappeler ceux que j'ai déjà eu l'honneur d'exposer dans ma Circulaire précitée, permettez-moi, M. le Chargé d'Affaires, d'attirer votre attention sur le fait que la conversion, en diminuant les charges du Trésor d'environ 5,000,000 fr. annuellement, permettrait éventuellement d'alléger l'impôt professionnel en faveur des classes les plus pauvres des contribuables des provinces, et de continuer les travaux d'utilité publique que le pays réclame si vivement.

Aussi, le Gouvernement de Son Altesse, confiant dans l'équité du Gouvernement de la République, et dans ses sentiments de bienveillance à l'égard de l'Égypte, espère-t-il qu'il voudra bien ne pas différer ultérieurement son assentiment à une opération, dont la légalité et les avantages ont déjà été reconnus par lui.

Je vous serai reconnaissant, M. le Chargé d'Affaires, de vouloir bien soumettre à votre Gouvernement, en les recommandant à sa haute appréciation, les considérations sur lesquelles je viens d'avoir l'honneur d'attirer votre attention, et qui font espérer

au Gouvernement de Son Altesse que cette nouvelle démarche aura un accueil favorable.

Veuillez, &c.
(Signé) ZOULFIKAR

No. 48.

Mr. Clarke to the Marquis of Salisbury.—(Received September 24, 2:30 P.M.)

(No. 134.)

(Telegraphic.)

Cairo, September 24, 1889, 1:49 P.M.

MY telegram No. 133.

Egyptian Government have reconsidered the question of payment of sum due, and will do their best to obtain advance of necessary sum in order to effect payment before the end of this month.

Paymaster here informs Palmer that he requires 100,000l. Shall Egyptian Government pay him this amount, and pay balance in London?

No. 49.

Mr. Clarke to the Marquis of Salisbury.—(Received September 26, 2:45 P.M.)

(No. 135.)

(Telegraphic.)

Cairo, September 26, 1889, 2:55 P.M.

MY telegram No. 134.

Paymaster now informs Palmer that he cannot take the money at current rate of exchange, so 150,000l. will be paid into Bank of England on 30th instant.

No. 50.

The Marquis of Salisbury to Sir E. Baring.

(No. 89.)

(Telegraphic.)

Foreign Office, September 28, 1889, 4:30 P.M.

MR. CLARKE'S telegram No. 135.

Treasury are very sensible of prompt arrangement made, which will be quite convenient.

No. 51.

The Marquis of Salisbury to Sir E. Baring.

(No. 91.)

(Telegraphic.)

Foreign Office, October 8, 1889, 4:45 P.M.

AUSTRIAN Government ask our opinion on proposal of Russian Commissioner of the Caisse for payment of Commissioners' salaries from surplus of Caisse revenues instead of from Egyptian Budget.

Do you know anything of this proposal?

No. 52.

Sir E. Baring to the Marquis of Salisbury.—(Received October 9, 4 P.M.)

(No. 137.)

(Telegraphic.)

Cairo, October 9, 1889, 2:50 P.M.

YOUR Lordship's telegram No. 91.

The proposal of the Russian Commissioner of the Debt has never, so far as I know, been reduced to writing, but so far as I can gather from the conversations he has had with various officials here, its main object is to bring back the salaries of the Commissioners to the figure at which they stood before the recent reductions.

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This would be in itself objectionable. Further, any measure which tends to enhance the independence of the Commissioners, which is already excessive, is greatly to be deprecated.

I think, therefore, that the proposal should be discouraged. The expense would, of course, in reality fall on the Egyptian Government, either in the form of making the coupon to the extent of the increased salaries, or in the form of abandoning extinction of debt by a similar amount.

No. 53.

Sir E. Baring to the Marquis of Salisbury.—(Received October 19, 10:30 A.M.)

(No. 139.)
(Telegraphic.)

Cairo, October 19, 1889.

THE Egyptian Budget is being framed, and I have been asked to ascertain whether there is any prospect of a speedy settlement of the question of the Zeyla tribute.

No. 54.

The Marquis of Salisbury to Sir E. Baring.

(No. 93.)
(Telegraphic.)

Foreign Office, October 19, 1889, 3:35 P.M.

YOUR telegram No. 139 of to-day: Zeyla tribute.
No present prospect of settlement.

No. 55.

Sir E. Baring to the Marquis of Salisbury.—(Received October 21.)

(No. 357.)

My Lord,

Cairo, October 10, 1889.

WITH reference to your Lordship's despatch No. 229 of the 13th August, I have the honour to inclose herewith copy of a note which has been drawn up by Mr. Palmer on the claim made by Her Majesty's Government for the repayment by the Egyptian Government of the sum of 6,000*l.*, the difference between the extra expenses of the Army of Occupation for the year 1888-89 and the original estimate of 110,000*l.* fixed for that year.

The arguments put forward by Mr. Palmer in favour of this claim for repayment being waived by Her Majesty's Government appear to merit the consideration of Her Majesty's Government.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 55.

Memorandum respecting the Army of Occupation.

A CLAIM of 6,000*l.* has been submitted by the British Government against the Egyptian Government, being the difference between the extra expenses of the Army of Occupation for the year 1888-89, and a lump sum of 110,000*l.* which was fixed for that year.

This is the first time that any such settlement of account has been proposed between the two Governments. Hitherto, it has always been considered that the lump sum which the Egyptian Government paid was to cover all the extra expenses.

If such a settlement is to take place annually, the Egyptian Government may fairly claim an examination in detail of the accounts of the extra expenses of the Army of Occupation. For many reasons this seems undesirable.

It may be argued that in 1888-89 there were special expenses due to the Suakin expedition, and this may perhaps justify the claim put forward. Before, however,

admitting this claim, I desire to raise a question with regard to the system of charging the Egyptian Government the whole cost of the 100 odd men which are added to each regiment when sent abroad.

If the British army in 1888-89 was kept up to its full sanctioned strength, and these 100 odd men per regiment were really extra to the strength, and were merely engaged owing to the regiments going abroad, then I admit it is fair that the Egyptian Government should bear the whole cost; but if, as I believe to be the case, the British army was, during 1888-89, considerably below its sanctioned strength, and these men would, under any circumstances, have formed part of the army, then I venture to think it would be fairer to charge the Egyptian Government with the extra cost only. This would make a considerable reduction in the expenditure which is charged to Egypt, and the difference would, I think, exceed the 6,000*l.* now claimed.

The Egyptian Government, however, will be quite willing to forego their claim with regard to these extra men if the English Government waive their claim to the extra 6,000*l.*

(Signed) ELWIN PALMER.

October 2, 1889.

No. 56.

Sir E. Baring to the Marquis of Salisbury.—(Received October 25, 10:15 A.M.)

(No. 140.)
(Telegraphic.)

Cairo, October 25, 1889, 9:23 A.M.

THE Egyptian Government wishes to appoint Mr. Milner to be Director-General of Accounts. There is no objection to his delaying his departure for a fortnight.

No. 57.

The Marquis of Salisbury to Sir E. Baring.

(No. 94.)
(Telegraphic.)

Foreign Office, October 25, 1889, 6:25 P.M.

YOUR telegram No. 140.

Mr. Milner accepts appointment, and thanks Egyptian Government. He hopes to arrive in Egypt on the 20th November.

No. 58.

Sir E. Baring to the Marquis of Salisbury.—(Received October 25.)

(No. 141.)
(Telegraphic.)

Cairo, October 25, 1889.

FINANCIAL year of Caisse de la Dette closes to-day; surplus is 620,000*l.*, as compared to 410,000*l.* last year. This is largest surplus on this account as yet attained.

No. 59.

Foreign Office to War Office.

Sir,

Foreign Office, October 25, 1889.

ON the receipt of your letter of the 9th August last Her Majesty's Agent and Consul-General at Cairo was instructed to apply to the Egyptian Government for repayment of the sum of 6,000*l.*, the difference between the actual extra cost of the Army of Occupation for the year 1888-89 and the sum of 110,000*l.* received from Egypt on that account.

I am to transmit to you herewith, to be laid before Mr. Secretary Stanhope, a copy of a despatch which has been received from Sir E. Baring in reply,* inclosing a

* No. 55.

Memorandum on the subject by the Financial Adviser to the Egyptian Government; and I am to state that, on consideration of the arguments adduced by Mr. Palmer, Lord Salisbury would recommend that the claim should be waived.

I am, &c.
(Signed) T. H. SANDERSON.

No. 60.

The Marquis of Salisbury to Sir E. Baring.

(No. 95.)
(Telegraphic.)

Foreign Office, October 31, 1889, 2 P.M.

YOUR telegram No. 137 [of 9th October].

The Memorandum of the Russian Commissioner of the Caisse is a long lithographed paper dated 29th September, of which copies were given to the other Commissioners. Please obtain copies, and send home with your remarks.

No. 61.

Sir E. Baring to the Marquis of Salisbury.—(Received November 4.)

(No. 364.)

My Lord,

Cairo, October 27, 1889.

I HAVE the honour to transmit to your Lordship herewith copy of the Decree, which appeared in the "Journal Officiel" of yesterday, appointing Mr. Elwin Palmer Financial Adviser to the Egyptian Government in the place of Sir Edgar Vincent, who has resigned.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 61.

Extract from the "Journal Officiel" of October 26, 1889.

Décret.

NOUS, Khédive d'Égypte,

Décrétons :

Article 1^{er}. Mr. Elwin Palmer est nommé Conseiller Financier auprès de notre Gouvernement, en remplacement de Sir Edgar Vincent, démissionnaire.

Art. 2. Notre Président du Conseil des Ministres est chargé de l'exécution du présent Décret.

Fait au Palais de Ras-el-Tin, le 23 Octobre, 1889.

(Signé) MÉHÉMET TEWFIK.

Par le Khédive :
Le Président du Conseil des Ministres,
(Signé) RIAZ.

No. 62.

Sir E. Baring to the Marquis of Salisbury.—(Received November 9, 10.50 A.M.)

(No. 147. Confidential.)

(Telegraphic.)

Cairo, November 9, 1889, 10.20 A.M.

THE following are approximately the arrangements of the Egyptian Budget for next year:—

The professional tax is to be abolished in all villages and small towns, thus exempting some 300,000 of the poorest classes from payment of this very unpopular tax.

The weighing dues are to be abolished.

These two measures involve a relief of taxation to the extent of 100,000*l.* annually. The rates of internal postage will be reduced by 50 per cent., and arrangements made for a house to house delivery of letters.

10,000*l.* extra has been provided for education, 15,000*l.* for police and prisons, and 10,000*l.* for increasing the Civil List of the Khedive.

After making [reduction for?] these changes, the Estimates show a surplus of 160,000*l.*

The Revenue Estimates have been framed with intentional moderation, and the real surplus will almost certainly be in excess of this sum. It would be possible to go farther in the direction of reducing taxes, but I have advised Mr. Palmer, who consulted me, to keep his surplus in hand, and to be content for this year with the very creditable list of reforms given above.

No. 63.

Sir E. Baring to the Marquis of Salisbury.—(Received November 16.)

(No. 375.)

My Lord,

Cairo, November 9, 1889.

I HAVE the honour to inform your Lordship that the Italian Government have proposed M. Morano to succeed M. Machiavelli as Italian Commissioner of the Caisse de la Dette.

I have reason to believe that this appointment will not meet with any objection on the part of the Egyptian Government.

I have, &c.
(Signed) E. BARING.

No. 64.

War Office to Foreign Office.—(Received November 20.)

Sir,

War Office, November 18, 1889.

I AM directed by the Secretary of State for War to acknowledge the receipt of your letter of the 25th ultimo, transmitting a letter from Sir E. Baring, and a Memorandum from Mr. Elwin Palmer, on the subject of a claim for 6,000*l.* preferred against the Egyptian Government in respect of extra expenditure incurred during the year 1888-89 on account of the expeditions to Suakin and Assouan.

With much of the argument advanced in the inclosures to your letter Mr. Secretary Stanhope finds himself quite unable to agree. The annual contribution payable by the Egyptian Government has hitherto been based on the normal peace expenditure of the Army of Occupation—an expenditure which has, in the interests of the Egyptian exchequer, been reduced to the lowest possible limits consistent with safety; and it cannot be too clearly laid down that any excess expenditure caused by warlike operations lies quite outside the scope of such contribution, and would, under ordinary circumstances, form a perfectly legitimate charge against the Egyptian Government.

Again, the argument that the Egyptian Exchequer is not liable to bear the expense of the extra men added to the battalions stationed in that country, on the ground that the establishment of the British army throughout the world may not have been complete, is an argument which is totally inadmissible.

Having thus, however, set aside so much of the arguments advanced as might lead to future difficulties and complications, Mr. Stanhope does not feel disinclined, in deference to the wishes of Lord Salisbury, to agree to some arrangement whereby the Egyptian Government would be relieved from immediate liability in respect of the 6,000*l.* now in question.

He would propose, if Lord Salisbury concurs, to waive the claim, on condition that the Egyptian Government agrees to a fixed contribution of 95,000*l.* a-year for three years, commencing with the year 1890-91; such contribution to be regarded as covering all the ordinary expenses of the occupation, but not, as already explained, any extra expenditure caused by active warlike operations—if any such should, unfortunately, become necessary.

The advantage of this arrangement, for all parties concerned, will be the settling

of the contribution on a defined basis for a definite period, and a consequent simplification of account, and, for Egypt, the withdrawal of the claim for 6,000*l.* in consideration of the payment of a rate of contribution which, even apart from such claim, would not be inequitable.

Should the Secretary of State for Foreign Affairs concur in this proposal, the matter will be referred by this Office to the Lords Commissioners of Her Majesty's Treasury for their sanction.

I have, &c.
(Signed) W. ST. JOHN BRODRICK.

No. 65.

The Marquis of Salisbury to Sir E. Baring.

(No. 281.)
Sir,

Foreign Office, November 21, 1889.

WITH reference to your despatch No. 357 of the 10th ultimo, which I communicated to the Secretary of State for War, I transmit to you herewith a copy of a letter from the War Office upon the subject of the expenses of the Army of Occupation in Egypt.*

You will perceive that Mr. Secretary Stanhope proposes as recommended by me to waive the claim for 6,000*l.* preferred against the Egyptian Government on account of extra expenditure incurred in the year 1888-89, if the Government of the Khedive will agree to pay a fixed contribution of 95,000*l.* a-year for three years, commencing with the year 1890-91, such contribution to be regarded as covering all the ordinary expenses of the occupation, but not any extra expenditure caused by active warlike operations, should such occur.

I should be glad if you would favour me with your observations on this proposal.

I am, &c.
(Signed) SALISBURY.

No. 66.

Sir E. Baring to the Marquis of Salisbury.—(Received November 26.)

(No. 378.)
My Lord,

Cairo, November 12, 1889.

IN compliance with the instructions contained in your Lordship's telegram No. 95 of the 31st ultimo, I have the honour to transmit herewith a copy of the Memorandum on the relations of the Caisse de la Dette and the Egyptian Government, written by the Russian Commissioner. I have also the honour to inclose copy of a letter I have received on the subject from Mr. Money, the English Commissioner, and I need only add that I entirely agree with Mr. Money's opinion that the proposals put forward by Prince Mourousi are quite inadmissible.

I have, &c.
(Signed) E. BARING.

Inclosure 1 in No. 66.

Memorandum by M. Mourousi.

LE Décret du 18 Novembre, 1876, destiné à donner une prompte solution à une situation presque désespérée, non seulement pour l'Égypte, mais encore pour ses créanciers, les menaçant d'une ruine complète, se ressent de la hâte avec laquelle il a été conçu et élaboré.

Préoccupés surtout de trouver une solution possible à une situation aussi critique, ayant pour but, tout en permettant au Gouvernement Égyptien de faire face à ses besoins administratifs, de donner à ses créanciers le plus d'avantages possible, les auteurs de l'arrangement financier conclu entre l'Égypte et ses "bondholders" ont fait

* No. 64.

peu de cas des points de droit que leur projet pouvait léser. Ils ont laissé mettre les dépenses de la nouvelle Administration de la Caisse de la Dette Publique Égyptienne à la charge du Gouvernement Khédivial, tout en lui donnant, non seulement les pouvoirs qu'une institution de l'État ne saurait avoir vis-à-vis du Gouvernement, dont elle émanerait, mais en lui attribuant les véritables droits d'un séquestre judiciaire. Or, en droit comme en logique, les charges d'une semblable institution devaient être prélevées sur les fonds garantis aux créanciers pour le paiement des diverses dettes dont le service lui était confié. En effet, la Caisse de la Dette Publique Égyptienne est une tutelle imposée au Gouvernement Khédivial, un séquestre mis sur différents revenus pour assurer l'exécution des arrangements intervenus entre lui et ses créanciers, un abandon d'une partie de son actif à leur profit, et il serait dès lors juste et équitable, bien plus, nécessaire même au point de vue du droit strict, que ce soit ceux au profit desquels cette tutelle a été établie qui supportent les charges dérivant des avantages et des garanties qu'ils ont obtenus.

Contrairement aux principes les plus élémentaires du droit, cette situation est devenue encore plus anormale depuis que les Grandes Puissances ont en 1885 garanti l'Emprunt 3 pour Cent, émis par l'Égypte pour faire face aux charges qui lui avaient été créées pour le mouvement Arabiste. Et, si à la Conférence de Londres cette question n'a point été soulevée, c'est qu'à ce moment la situation financière de l'Égypte semblait devoir exiger de la part de ses créanciers des sacrifices importants.

Mais cet état de choses a complètement changé, et les créanciers, loin d'avoir à craindre pour leur bien, se trouvent chaque année devant des excédents considérables des revenus qui leur sont affectés.

La Caisse de la Dette Publique, de son côté, voit constamment ses attributions prendre une plus grande extension, ses services exiger un personnel plus nombreux et pourtant à la merci du Gouvernement Égyptien quant à son Budget; elle est menacée de voir ses efforts paralysés et les intérêts qui lui sont confiés compromis, par le manque de ressources pour assurer la marche prompte et régulière de ses services.

La situation budgétaire actuelle de la Caisse de la Dette, par suite des empiètements continus et systématiques du Ministère des Finances dans l'établissement de son Budget annuel (contrairement à la Loi de Liquidation qui s'est un instant arrêtée à cette question) tend à devenir chaque jour plus gênante et à créer des éléments de difficultés sans cesse renaissantes, entre la Caisse de la Dette Publique et le Gouvernement Égyptien.

Le Ministère des Finances, par cette lutte continue, cherche à établir que cette institution n'est qu'un rouage administratif lui appartenant et qu'il est par conséquent juge de ses besoins et de ses nécessités, se croyant libre de donner ou de refuser son consentement aux dépenses que peuvent entraîner les exigences du Service de la Caisse de la Dette.

Si l'on admettait ce principe, on viendrait à reconnaître, contrairement au droit et à la logique, que la Caisse de la Dette Publique, qui représente la tutelle mise sur l'administration financière de l'Égypte, se trouve elle-même sous le contrôle et la tutelle du Département des Finances qu'elle est chargée de surveiller.

Par son rôle de surveillant et de tuteur de l'Administration Financière au point de vue des intérêts, aussi bien des Puissances Garantes de l'Emprunt de 9,000,000*l.* que des "bondholders" Égyptiens, ayant qualité pour poursuivre devant les Tribunaux de la Réforme et en d'autres cas à en appeler aux Puissances des conflits qui peuvent surgir dans toute infraction commise à la Loi de Liquidation et autres Décrets, soit par le Gouvernement Égyptien, soit par l'une de ses Administrations, la Caisse de la Dette est, non un rouage du Gouvernement Égyptien, mais en fait et en réalité le mandataire des créanciers et des garants de l'Égypte. En cette qualité c'est à ces derniers qu'incombe l'obligation de couvrir les frais de leur mandataire pour ne point diminuer leurs droits et leurs prérogatives.

Admettre un autre principe serait amoindrir le prestige de cette institution et compromettre à un moment donné l'indépendance absolue dont elle a besoin pour pouvoir user de ses droits, et remplir la mission qui lui a été confiée dans toute sa plénitude pour assurer l'exécution du mandat dont elle est chargée par les Puissances.

Autorisée par Décret du 22 Juin, 1886, de faire fructifier la partie disponible entre ses mains des fonds affectés au Service de la Dette chargée de services nouveaux, ayant à examiner tous les projets financiers que le Gouvernement Égyptien est obligé de lui soumettre par les Conventions existantes, la Caisse de la Dette Publique ne saurait être entravée dans sa marche par des Règlements administratifs qui ne peuvent la toucher. Cependant elle se heurte constamment à des difficultés de toute

nature pour des considérations financières motivées par les ressources trop restreintes du Budget administratif Égyptien.

Ces considérations ne devraient point la toucher, car ses Services sont de ceux qui ne peuvent comporter la moindre entrave, et un manque de personnel suffisant, ou un travail exécuté en retard, peut amener pour le Service de la Caisse de la Dette Publique une perturbation des plus dangereuses pour son bon fonctionnement, et porter une atteinte sérieuse aux intérêts financiers qui lui sont confiés.

D'un autre côté, elle a besoin d'employés ayant les aptitudes spéciales, ce qui fait que cette Administration a un intérêt particulier à se les attacher pour ainsi dire à vie. Ne pouvant leur offrir les avantages d'une carrière à l'égal des autres Administrations Gouvernementales, ce n'est qu'en améliorant leur sort au point de vue pécuniaire, et au fur et à mesure des services rendus, qu'elle peut espérer obtenir le résultat voulu. Or, ce moyen unique pour elle lui est impossible à mettre à exécution, du moment, qu'elle doit considérer son personnel comme des employés de l'État, auxquels on doit strictement appliquer les Règlements des autres Administrations Gouvernementales.

Les excédents considérables des revenus affectés, qui se montent en moyenne depuis 1885 à £ E. 490,000 par an, font qu'en admettant le principe équitable d'un Budget administratif de la Caisse de la Dette Publique prélevé sur les revenus affectés, ce prélèvement ne toucherait en rien les garanties que les "bondholders" ont aujourd'hui, pour le paiement régulier et intégral des coupons des titres qu'ils détiennent; d'autant plus, que la fructification des fonds tend chaque année à augmenter, et qu'on peut prévoir à courte échéance, le moment où cette fructification à elle seule suffira pour couvrir tous les frais administratifs de la Caisse de la Dette Publique, en dehors même des excédents des revenus affectés.

En conséquence, n'est-il point juste que cette fructification, se montant actuellement à £ E. 15,000 environ, qui n'était prévue, ni par la Loi de Liquidation, ni même par la Convention de Londres, serve à assurer à la Caisse de la Dette, en partie au moins, l'indépendance dont elle doit jouir vis-à-vis de l'Administration des Finances du Gouvernement Égyptien.

En admettant comme chiffre normal des prévisions budgétaires de la Caisse la somme de £ E. 32,000 calculée d'après les prévisions des années 1881 à 1888, et la majorant de 30 pour cent, on donnerait à ce budget une élasticité assez grande pour permettre aux Commissaires Délégués de faire face à des dépenses extraordinaires, et de former une Caisse de retraite pour leurs employés. Si l'on déduit de cette somme celle de £ E. 15,000 environ, à laquelle s'élève aujourd'hui le produit de la fructification des fonds, il ne resterait plus à prélever sur la moitié des excédents revenant à la Caisse de la Dette que la somme de £ E. 26,000, laquelle ne représente en définitive qu'un peu plus d'un "1/2 pour cent" des revenus affectés.

Il est peu probable, et même inadmissible, que les excédents existant aujourd'hui viennent à disparaître, et le sacrifice apparent que les "bondholders" seraient appelés à faire, et qui n'en est pas un, puisque les sommes nécessaires seraient prélevées sur les excédents attribués au fonds de réserve, donnerait à la Caisse de la Dette la véritable situation qu'elle doit avoir vis-à-vis du Gouvernement Égyptien, et mettrait un terme aux discussions sans cesse renaissantes entre les Commissaires de la Caisse de la Dette et le Ministère des Finances Égyptien, discussions et parfois conflits qui naissent toujours au plus grand détriment des intérêts mutuels.

Les Gouvernements Garants de l'Emprunt Égyptien de £ E. 9,000,000 ne peuvent qu'avoir intérêt à accentuer par cette mesure l'indépendance absolue de la Caisse, qui est pour eux, dans la situation actuelle de l'Égypte, d'une nécessité de premier ordre.

Quant au Gouvernement Égyptien, il ne saurait se refuser à une mesure qui le ferait bénéficier pour son Budget administratif d'une somme de £ E. 32,000, dont l'acquit dans les circonstances actuelles ne saurait lui être indifférent.

La seule objection qui pourrait être faite à ces propositions serait que, par suite de circonstances imprévues, les excédents sur lesquels le budget de la Caisse de la Dette devrait être prélevé pourraient ne point exister.

Ce cas ne peut se présenter, d'après les données acquises, qu'à la suite, soit d'une inondation, soit d'une sécheresse de deux années au moins, ou bien encore, par le fait d'une guerre.

Mais, dans ces trois cas, le Budget administratif du Gouvernement Égyptien se trouverait lui-même tellement déséquilibré, qu'il est presque certain qu'il ne pourrait faire face à ses charges, et que les déficits qui en seraient la conséquence ne sauraient être comblés probablement que par des sacrifices que l'on demanderait aux détenteurs des valeurs Égyptiennes. Dès lors, la première des charges que

le Gouvernement Égyptien devra imposer à ses créanciers sera le budget de la Caisse de la Dette Publique, vu que cette Administration ne pouvant se laisser désorganiser, et le Gouvernement Égyptien n'étant point en mesure de lui fournir les fonds de ses prévisions budgétaires, la Caisse se trouvera dans l'obligation, dans l'intérêt même des créanciers, de prélever dans une semblable situation, sur les revenus affectés, les sommes arrêtées pour son budget, et l'objection que l'on pourrait élever contre les propositions actuelles tombe ainsi d'elle-même.

Le Caire, le 10 Septembre, 1889.

Inclosure 2 in No. 66.

Mr. Money to Sir E. Baring.

My dear Baring,

Cairo, November 11, 1889.

MOUROUSI'S paper is an attempt to secure for the Caisse complete independence of the Government. The argument is that the Government was placed by the Decree of the 13th November, 1876, under the financial control of the Caisse, and should, therefore, have nothing to say to its expenditure. He contends, in addition, that, as in 1885, all the Powers became guarantees for the 3 per Cent. Loan of 9 millions; their interests as guarantees are watched over in Egypt by the Commissioners of the Caisse, who consequently should be perfectly free of the Egyptian Government.

As regards the first argument, the chief answer would be that whatever control the Caisse exercises over the Government, it is a control which the Government itself created. The Government therefore had a perfect right to lay down the conditions under which such control should be exercised, and for the Powers now to enforce a change of those conditions would be an arbitrary abuse of the position of the strongest. As the object of the creation of the Caisse was to safeguard the interests of the bondholders, it might have been more logical to have left to these the choice and the payment of their trustees, but in that case each bondholder would have had to put his hand into his pocket, and the Trustees would have been answerable to those who appointed them. It would have been necessary to guard against neglect of their duties or abuse of their powers on the part of the trustees, by the adoption of the system which holds good in Companies, where the Directors yearly have to retire and are subject to selection.

As it is, it is the Government which pays all the expenses of the Caisse, and, this being so, it seems absurd to ask that the Government shall have no voice in the amount or manner of that expenditure.

The duties of the Commissioners of the Caisse are in great part those of Audit. Like Government Boards of Audit, or "Cours des Comptes," there is nothing anomalous in this being paid by the Government, whose accounts they overhaul in some items of expenditure. As to their independence with regard to other matters, that is secured by their immovability, and by the fact that their salaries can only be reduced by the unanimous consent of the Powers. In this respect their independence is at best as well secured as that of Judges in any country, who have to decide cases in which the interests of their Government are involved.

As to the Commissioners' position with reference to the loan of 9 millions, that position is, according to the arrangements at the time, the same as it is with reference to all the previous debts. The German and the Russian Governments took advantage of the fact of their guarantees to demand to be represented at the Caisse, but nothing took place then, and nothing has taken place since, to lead to the supposition that the powers or responsibilities of the Caisse had become greater, except that they had to look to the interests of 9 millions more of the bondholders.

Under this head, therefore, I see no ground for any change in the relations between the Government and the Caisse.

Some of the Commissioners of the Caisse consider themselves, in consequence of the guarantee above mentioned, as the financial Representatives of their Governments. Such an idea is not to be encouraged, for it is apt to lead to an over-estimate of the importance of a Commissioner's position, and might make him more troublesome in his dealings with the Government. Nothing would tend so certainly to foster such an idea as the complete independence Prince Mourousi desires.

As regards the public and their criticism of the expenditure of Government, there might be some advantages in removing the cost of the Caisse from the Budget and

paying it out of the affected revenues; but these advantages would be more than counterbalanced by the evils I should anticipate from the independence of the Commissioners in all matters of expenditure. As to the disadvantages and difficulties said to exist from the Government control over the expenditure of the Caisse, I am not aware of them.

The note holds out a bait to the Government in the acquisition by it of a sum of 32,000*l.*, the cost of the Caisse, but this is illusory—that amount coming out of the affected revenues would diminish the yearly excesses by so much.

Yours, &c.
(Signed) A. MONEY.

No. 67.

Sir E. Baring to the Marquis of Salisbury.—(Received November 26.)

(No. 379.)

My Lord,

Cairo, November 12, 1889.

I HAVE the honour to inclose a copy of a letter addressed by the Commissioners of the Debt to the Stock Exchange Committee on the subject of the method of dealing with the payment of interest on lost or stolen bonds.

The question at issue is, on its own merits, one of some importance, but the indirect consequences which will ensue, should the matter not be satisfactorily settled, are of still greater importance.

The solvency and financial prosperity of Egypt depend in a very great degree on the system of irrigation being conducted on sound and scientific principles. Your Lordship is aware that since the British occupation of the country, very great improvements have been made in this direction. I have no hesitation in saying that no single measure has so much contributed to raise Egyptian credit and to insure the regular payment of the interest on the Debt as the improvements carried out under the guidance of Sir Colin Moncrieff and his able coadjutors. But the works are not yet completed. In order to complete them, it is necessary to borrow some further sums of money. I need hardly say that if the London market is closed to the Egyptian Government, borrowing becomes practically impossible. Hence, unless the present dispute can be settled, the works will have to be stopped. Considerable sums of money will have been wasted, and a very severe blow will be given to financial reform in Egypt.

The Egyptian authorities, both English and native, feel very strongly on this subject. They naturally complain that, after all the very great and successful efforts they have made to restore the credit of Egypt, and to benefit both the people of Egypt and the bondholders, they should find the progress of reform checked by a dispute with which they have little or no concern.

I had the advantage when I was in London of discussing this matter with the Secretary of the Stock Exchange Committee, and I feel sure from what Mr. Levien told me, that there is every disposition to arrive at a settlement of the question.

I need not enter into the merits of the question in detail, as the letter of the Commissioners of the Debt fully explains the proposals which are now made. I will only say that from the first moment that this matter was brought to my notice, I was of opinion that the original Regulations framed by the Commissioners of the Debt were far too stringent.

It will be seen that the new Regulations are based on the existing practice of the Bank of England.

I have one further observation to make. Under the Decree of the 22nd June, 1886, the Commissioners of the Debt are empowered to make regulations in connection with the procedure to be adopted in the case of stopped bonds. I gather that the Stock Exchange Committee are inclined to ask for a formal repeal of this law, so that it may not be in the power of the Commissioners to revert to the former practices to which exception has been taken. No such change can be made without the sanction of the Powers.

I trust the Stock Exchange Committee will not insist on this point. I have been for many years in this country, and I can speak with some authority as to what dangers are real and what imaginary.

I have no hesitation in saying that the danger against which it is intended to guard is imaginary.

Practically, there is not the least risk of the Commissioners going back to the old procedure.

On the other hand, to insist on a formal repeal of the law would in practice be almost equivalent to postponing for an indefinite period the settlement of the question, and an indefinite postponement would be exceedingly hurtful to the interests of all concerned, that is to say, the Egyptian Government, the Egyptian taxpayers and cultivators, and, I may add, the foreign bondholders, who are greatly interested in the general prosperity of the country.

For many reasons, upon which I need not now dwell, the present moment is very inopportune for asking the consent of the Powers to a measure of this sort. Objection would certainly be taken to the proposals on their own merits, for as your Lordship is without doubt aware, continental law differs very widely from the English practice in respect to the points under discussion.

Further, experience has shown that, even in cases where no great objections are entertained to any particular proposal considered on its own merit, it is not always easy to obtain the assent of the Powers. To obtain that assent, it has always been necessary to enter into long and tedious negotiations, which after all are not unfrequently unsuccessful.

I therefore venture to express a strong hope that the Stock Exchange Committee will consider that the interests which they are called upon to defend will be sufficiently guarded by the proposals now made, and that they will not consider a formal change in the law necessary.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 67.

The Commissioners of the Debt to the Committee of the Stock Exchange, London.

Sir,

[No date.]

THE exclusion of the 4½ per cent. Egyptian Loan of 1888 from quotation on the Stock Exchange might affect injuriously the value of that stock.

For that reason, and because they recognize the disadvantages of being at issue with the Stock Exchange on questions of procedure in regard to the payment of coupons, the Caisse de la Dette are desirous to come, if possible, to an understanding with your Committee.

The question to be considered is the best means of protecting the interests of the *bond fide* holder of a coupon or bond, while giving due assistance to the original proprietor, from whom such coupon may have been stolen, or by whom it may have been lost.

The Caisse is at least as interested as the Stock Exchange Committee can be in doing nothing which would lower the value of the stock of which they are trustees, and they fully recognize the fact, that undue restrictions on the immediate payment of a presented coupon must tend to have that effect.

Acting on this view, and perceiving the defects of their original procedure, the Caisse obtained from the Egyptian Government, with the sanction of the Powers, the issue of the Decree of the 22nd June, 1886.

Prior to the date of that Decree, the procedure, partly the result of certain judicial proceedings, was that which was explained to your Committee in our letter of the 13th January, 1886 (copy appended, Annex A).

There is no doubt that the holder of a coupon for the non-payment of which a Petition in due form had been presented was, by the old rules, subjected to a great hardship.

Once a stoppage ordered, and the Caisse had no discretion as to refusing stoppage if the opposition was made in due form, the holder could not get payment until the Civil Court had decided who was the rightful owner, the objector or the holder. If the objector did not initiate proceedings before the Court the holder was forced to do so, which meant to him loss of time and of money.

All this is now changed, and has been changed for some time.

By the Decree of the 22nd June, 1886, the officers of the Courts are estopped from entertaining Petitions of opposition to the payment of coupons, and the Caisse is relieved of the obligation to accept always similar notices of opposition when served by a bailiff of the Court.

The freedom of action now enjoyed by the Caisse has enabled it to change entirely the old procedure. The latest instructions issued by deliberation of the 28th January, 1889 (copy in Annex B), permit its agents to receive notices of opposition, which notices are to be at once signified to the other agents.

When a coupon thus opposed is presented for payment, the agent to whom it is presented exercises his discretion as to paying or refusing payment.

If the coupon be presented by a firm or by a known and solvable person it would be paid, otherwise not; and in either case, the name and address of the presenter would be communicated to the opposer. Unless, after this, the opposer give proof within one month or within two, according as to whether opposer and presenter reside in the same country or in two different ones, that he has instituted judicial proceedings against the holder, the opposition falls through, and the holder is, on application, paid.

You will observe that by these rules the institution of proceedings falls entirely upon the maker of the opposition, and not upon the holder of the coupons.

The Caisse, however, are disposed to go still further.

It would seem better to rule as follows:—

1. Petitions of opposition would continue to be received by the Caisse and its agents, and copies thereof to be forwarded to all the other agents and to the Caisse.

2. Immediately on the presentation for payment of the opposed coupon, the office at which the payment is demanded shall communicate to the office which received the opposition and to the opposer the name and address of the presenter or holder. Such communication would be by telegraph if the opposer had, when making his opposition, deposited a sum sufficient to cover expenses of telegraphing.

3. The maximum period of time allowed for non-payment of a coupon struck with opposition would be one week. If, before the expiration of seven days from the presentation of such coupon for payment, the agent shall not have received a prohibitory order or injunction from a competent Court, he shall pay the coupon.

Rule 3 of the above is the same in principle as that which holds good at the Bank of England, where opposed coupons are not paid till after such time as permits of information being given to the opposer, and enables him to take action. In general, the Bank does not delay payment for more than three or four days. In fixing a week as the limit, the Caisse have been influenced by the fact that their rules apply not only to one, but to four different countries.

The above rules would be applicable not only to the payment of coupons, but to the reimbursement of bonds drawn at the half-yearly drawings.

We trust that your Committee will consider these rules as fully answering the objects which they, in common with the Caisse, have in view.

I have, &c.

(Signed) A. MONEY, *Commissaire de Service*.

No. 68.

Sir E. Baring to the Marquis of Salisbury.—(Received November 26.)

(No. 381. Secret.)

My Lord,

Cairo, November 14, 1889.

I HAVE the honour to inclose copy of a letter which I have received from the Egyptian Minister for Foreign Affairs on the subject of the payment of the Zeyla tribute.

There can be no doubt that the Egyptian Government has a very fair right to complain in this matter. Unfortunately, the mere recognition of the grievance does not help much towards finding a solution of the point at issue.

As matters now stand, the English and Indian Treasuries are prepared to pay 100,000*l.* to the Porte in commutation of the Zeyla tribute, but I gather from the Foreign Office letter to the Treasury of the 29th October last, that, on diplomatic grounds, your Lordship is of opinion that, for the present at all events, it would not be advisable to commence negotiations on the subject.

It is indeed very doubtful whether, under any circumstances, the Porte would accept 100,000*l.* in commutation for the Zeyla tribute. That sum represents about as much as it would be worth while for Her Majesty's Government to pay; and it may further be urged that the Porte had every opportunity of sending Turkish troops to Zeyla before the British occupation took place, and, moreover, that there is no reason

why the capital sum offered by Her Majesty's Government should be based upon the extravagant sum which Ismail Pasha agreed to pay when Zeyla was in the first instance farmed to the Egyptian Government.

On the other hand, the Porte may not unreasonably reply that, apart from any political disinclination to cede territory at all, the bargain from a purely financial point of view would be an extremely bad one for them. It is indeed obvious that 100,000*l.* does not in any way adequately represent the present value of a perpetual annuity of 14,000*l.* a-year, secured on what may be considered a very good, even if it be not called a first rate, guarantee.

Probably, the only way to make the Porte accept the proposal would be to let it be understood that, unless it were accepted, Her Majesty's Government would support the Egyptian Government in not continuing the payment of the tribute. There are, however, some obvious objections to this course, and I conceive that the proposal is not one which your Lordship would be prepared to entertain.

Another possible solution would be for the Egyptian Government at once, and on their own initiative, to decline to pay the tribute. This is what they were disposed to do in September 1888, but they were dissuaded from adopting this course, on the ground that it would be hazardous to openly defy the authority of the Sultan. There can be no doubt that even now the Egyptian Government would adopt this course if they did not think that Her Majesty's Government entertained any strong objection to it, and, if they received an assurance that Her Majesty's Government would so far see them through their difficulties as to prevent the Sultan giving effect to any strongly coercive measures, such, for instance, as the deposition of the Khedive.

Your Lordship will probably, however, not be disposed to encourage the Egyptian Government to get into a quarrel, which may be somewhat serious, with the Porte.

One other solution has occurred to me which I lay before your Lordship with considerable hesitation, as I can clearly see that it is open to very considerable objection.

There can, however, be no harm in my submitting the proposal for your Lordship's appreciation.

I have frequently dwelt upon the great desirability of encouraging English education in Egypt. The longer I live in Egypt the more clearly do I see that French influence depends more on education than on anything else.

Ever since the days of Mehemet Ali, the French Government has, indeed, given very special attention to this subject, and, in proportion as the political influence of the French has been declining, the efforts made not to lose the educational hold over the country, which the French have undoubtedly acquired, have become more and more strenuous. During the last few years, the Jesuits have established themselves very solidly in Egypt, and many natives whose sympathies are rather English than French have spoken to me with some alarm as to the increasing influence which is being exercised by the Jesuit colleges.

Your Lordship is aware that I have done as much as is possible to stem the educational current which is setting in the French direction and to bring English educational influences to bear upon the people; but it is very uphill work. The French have fifty years start of us, and, moreover, somehow or other, they dispose of very considerable funds, though I cannot say with any degree of accuracy to what extent those sums are provided by the French Government and to what extent they are supplied by subscriptions collected by the various religious communities of France.

I should also mention that quite recently the Italian Government has commenced to spend large sums of money in the establishment of Italian schools in Egypt.

I have often heard a strong wish expressed by persons here, whose English sympathies are beyond question, that Her Majesty's Government would do something to counteract these influences. I am aware that it is not the practice of Her Majesty's Government to make grants of this description, and it may very well be that, apart from the purely financial aspect of the case, the Parliamentary objections to proposing any such grant are insuperable. It has, however, occurred to me as just possible, in view of the strong case that the Egyptian Government have to be reimbursed the amount of the Zeyla tribute, that Her Majesty's Government would be inclined to make a grant of 14,000*l.* a-year to be devoted to English education in Egypt until such time as arrangements can be made to relieve the Egyptian Government of the payment of the Zeyla tribute. From a purely local point of view, the arguments in favour of adopting this course are very strong; the measure would be very popular in this country, the grievance of the Egyptian Government would be removed, and we

should, in course of time, reap considerable political benefit from the expenditure. But, as I have already said, I put forward the proposal with some hesitation, as I am fully cognizant that, from the English point of view, it may be open to insuperable objections.

I do not make any detailed proposals as to how the money should be spent, as it will be time enough to consider that point when I am placed in possession of your Lordship's views as to the principle involved.

If nothing else can be done about Zeyla, I venture to urge that the surplus revenues of past years should be paid to the Egyptian Treasury.

I see from Colonel Stace's last Report on Zeyla that the receipts (excluding military) in 1887-89 exceeded the expenditure by about 22,000 rupees, while the surplus revenue in 1888-89 amounted to more than 37,000 rupees.

This is at present paid into the Indian Treasury. I venture to think that so long as the Egyptian Government continues to pay the tribute it would be only fair that the surplus should be paid to the Egyptian Treasury.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 68.

Zoulfikar Pasha to Sir E. Baring.

M. le Ministre,

Le Caire, le 13 Novembre, 1889.

SUR la demande de la Sublime Porte, le Ministère des Finances du Gouvernement de Son Altesse le Khédive vient de verser à la Banque Impériale Ottomane le montant des échéances du tribut spécial de Zeilah, placé par le Firman Impérial du 18 Juillet, 1875, sous l'administration de l'Égypte.

Vous connaissez, M. le Ministre, les circonstances qui ont amené l'occupation de cette localité par les troupes de Sa Majesté Britannique et la retraite des autorités Égyptiennes qui s'y trouvaient.

Aussi, le versement que le Gouvernement de Son Altesse vient d'effectuer constitue pour lui une nouvelle occasion de ressentir ce qu'il y a d'anormal pour le Trésor Égyptien de continuer à acquitter une redevance qui est d'autant plus lourde qu'elle a trait à la possession d'un territoire que l'Égypte n'occupe plus.

Connaissant votre esprit de justice, je suis persuadé, M. le Ministre, que cette anomalie ne peut manquer de vous frapper, et j'ai recours à votre valable intermédiaire pour la signaler à la bienveillante et équitable appréciation du Gouvernement de Sa Majesté Britannique, en laquelle le Gouvernement de Son Altesse a pleine confiance pour obtenir d'être libéré d'une charge qui n'est plus justifiée.

Veuillez, &c.
(Signé) ZOULFIKAR.

No. 69.

Mr. Clarke to the Marquis of Salisbury.—(Received November 28, 1.20 P.M.)

(No. 151.)
(Telegraphic.)

Cairo, November 28, 1889, 12.50 P.M.

EGYPTIAN Government have received from Porte thirty bills in favour of Ottoman Bank for 225,000l. They represent Zeyla tribute for fifteen years, which Porte wishes to make over to the Bank as guarantee for a loan of 150,000l. Porte directs Egyptian Ministry of Finance to sign bills. Egyptian Government are going to refuse.

I have informed Sir E. Baring of the above. He requests me to say he recommends that Her Majesty's Government should not interfere in matter.

No. 70.

Mr. Clarke to the Marquis of Salisbury.—(Received November 30, 4 P.M.)

(No. 152.)
(Telegraphic.)

Cairo, November 30, 1889, 3.30 P.M.

SEVERAL private telegrams have been received here from Paris to the effect that the French Government are about to agree to the conversion scheme. Egyptian Government would be glad to know if there is any foundation for this rumour.

No. 71.

The Marquis of Salisbury to Mr. Clarke.

(No. 101.)
(Telegraphic.)

Foreign Office, November 30, 1889, 6 P.M.

YOUR telegram No. 152 of 30th November: Preference conversion.
Nothing known here.

No. 72.

Mr. Clarke to the Marquis of Salisbury.—(Received December 2.)

(No. 384.)
My Lord,

Cairo, November 19, 1889.

I HAVE the honour to transmit herewith copy of a note addressed by the Finance Committee to the Council of Ministers on the subject of the Budget for 1890.

Your Lordship will observe that the Council has approved the proposals of the Finance Committee. The estimated revenue is fixed at £ E. 9,650,000, and the expenditure at £ E. 9,500,000, showing a surplus of £ E. 150,000.

I have, &c.
(Signed) F. S. CLARKE.

Inclosure in No. 72.

Memorandum addressed to the Council of Ministers by the Finance Committee.

Note pour le Conseil des Ministres.

LE Comité des Finances a l'honneur de présenter au Conseil des Ministres le projet de Budget élaboré pour l'Exercice 1890.

Sur divers points, les estimations s'écartent de celles de 1889; les chiffres ci-après font ressortir les principales différences qui existent entre les évaluations des recettes et des dépenses budgétaires de ces deux années.

RECETTES.

	En 1890.	
	En plus.	En moins.
	£ E.	£ E.
Impôts fonciers	260,000	..
Impôt professionnel	..	70,000
Douanes	..	66,000
Octrois	..	9,000
Tabacs	57,000	..
Droit de pesage	..	28,000
Chemins de fer	..	38,000
Postes	..	26,000
Paquebots-poste	15,000	..
Ministère de la Justice	30,000	..
Locations des terres libres	..	5,000
Recettes diverses	..	10,000
Retenue sur les traitements	..	10,000

Impôts Fonciers.—Le montant des rôles s'élève à £ E. 5,280,000. En considération de la grande étendue de terres "cherakis" de l'année 1888, une somme de £ E. 430,000 pour non-valeurs avait été inscrite au Budget de 1889, mais cette année la crue du Nil ayant été satisfaisante, le Comité a pris pour base d'estimation les recouvrements d'une année normale et il a fixé la prévision des recettes des impôts fonciers à £ E. 5,100,000.

Impôt Professionnel.—Cet impôt est supprimé dans toutes les localités de l'Égypte, à l'exception des villes les plus importantes; cette mesure, qui se traduit par un dégrèvement de £ E. 70,000, exonère de la taxe professionnelle environ 170,000 individus, et elle constitue un véritable soulagement pour une des classes les plus pauvres de contribuables; elle aura également pour effet d'encourager le développement des industries locales.

Douanes.—La différence des prévisions porte presque exclusivement sur les recettes des droits d'entrée.

En présence de la diminution des importations, le Comité a jugé qu'il était sage de tenir compte de cette situation, bien qu'il y ait lieu de s'attendre à un relèvement du commerce d'importation, favorisé par une plus grande influence de capitaux dans le pays, à la suite des belles récoltes que l'excellente crue de cette année permettra d'obtenir.

Octrois.—L'octroi est supprimé à Rosette, ville pauvre qui possède peu d'éléments de prospérité; la suppression de cette perception représente un dégrèvement de £ E. 2,000 pour la population de cette localité.

En outre, pour favoriser la production du riz dont la culture se fait dans des terres impropres à d'autres cultures et qui permet d'utiliser, pour les améliorer, de grandes étendues de terres salées ou marécageuses, qui sans cela resteraient perdues pour l'agriculture, le Comité a été d'avis d'affranchir ce produit des droits d'octroi. Cette mesure entraîne une diminution de recettes d'environ £ E. 5,000.

Tabacs.—Les recettes de 1889 seront supérieures à la prévision budgétaire de cette année; la somme portée au Budget comme estimation pour 1890 est basée sur le chiffre des recettes probables de 1889. On peut cependant espérer que cette prévision sera dépassée par suite de la décision qui vient d'être prise de limiter à 1,500 feddans la culture indigène des tabacs, mais il est à craindre que l'existence du stock considérable actuel, provenant des récoltes précédentes, ne permette à cette mesure de produire tous ses effets dans l'année même, et le Comité n'a pas cru devoir escompter à l'avance la probabilité d'une augmentation de recettes de ce chef pour l'Exercice 1890.

Droit de Pesage.—Cette taxe est abolie et la profession de peseur déclarée libre. L'impossibilité d'atteindre les peseurs de nationalité étrangère rendait de plus en plus difficile la perception de ce droit qui avait revêtu ainsi un caractère d'inégalité pour les peseurs indigènes; sa suppression fera disparaître une source de nombreux abus et facilitera le commerce honnête.

Mais en même temps qu'il supprime le droit de pesage, le Gouvernement prépare un Projet de Loi pour l'unification des poids et mesures qui vise à introduire une plus grande régularité dans le pesage et le mesurage des marchandises.

Chemins de Fer.—Les recettes en 1889 seront inférieures aux prévisions du Budget, en raison principalement de l'abaissement du trafic sur les céréales; il est à espérer que cette cause de diminution ne persistera pas; toutefois, le Comité a pensé qu'il était prudent de s'en tenir à une estimation modérée pour 1890.

Postes.—Sur la diminution de £ E. 26,000 prévue aux recettes, une somme de £ E. 16,000 doit être attribuée à la réduction projetée de la taxe postale à l'intérieur; cette diminution de recettes ne saurait être considérée comme permanente, car on peut espérer, grâce à cette réduction, un développement de la correspondance qui permette à l'Administration des Postes de retrouver, sinon de dépasser, ses recettes primitives.

Les autres £ E. 10,000 représentent les recettes des bateaux-poste de la Haute-Égypte dont le service a été cédé à MM. Cook and Son; cette somme est, du reste, compensée par une réduction correspondante dans les dépenses.

Paquebots-Poste.—L'estimation des recettes est calculée d'après les recettes probables de 1889, qui dépassent d'une somme considérable leur prévision budgétaire; ce résultat est dû au bon fonctionnement du service et à la diminution de la concurrence des Compagnies de Navigation étrangères.

Ministère de la Justice.—L'augmentation des prévisions de ce chapitre est justifiée par le chiffre des recettes probables de cette année, ainsi que par l'établissement des nouveaux Tribunaux dans la Haute-Égypte.

Locations de Terres Libres. Recettes diverses. Retenue sur les Traitements.—La prévision de 1889 paraît avoir été trop élevée, selon les produits de ces différents

chapitres de recettes dans l'année courante; en conséquence, l'estimation pour 1890 a été arrêtée à un chiffre plus modéré.

Par suite des ventes de terres libres, les locations tendent à devenir moins nombreuses, mais il est à noter que cette diminution trouve une compensation par la plus-value de l'impôt foncier, sur les rôles duquel les terres vendues sont inscrites.

DÉPENSES.

	En 1890.	
	En plus.	En moins.
Liste Civile	£ E. 10,000	£ E. ..
Allocations de la Famille Khédiviale	..	14,700
Conseil des Ministres	..	1,000
Ministère des Finances	..	5,000
Instruction Publique	10,500	..
Ministère de la Justice	..	4,000
Ministère des Travaux Publics	..	6,000
Services divers des Ministères	11,600	..
Services administratifs et de perception des provinces	5,000	..
Douanes	6,000	..
Chemins de Fer	52,000	..
Postes	..	7,500
Paquebots-poste	5,500	..
Ministère de la Guerre	..	4,000
Police et prisons	14,000	..
Armée d'Occupation	..	17,000
Pensions	..	25,000
Daira et Domaines	..	105,000

Liste Civile.—Pour venir en aide au Trésor, Son Altesse le Khédive avait fait gracieusement l'abandon provisoire de 10 pour cent sur la Liste Civile, le Comité estime que la situation financière actuelle permet de rétablir le chiffre primitif compris dans le budget de la Convention Financière.

Allocations de la Famille Khédiviale.—La diminution résulte de l'échange de l'allocation de Son Altesse le Prince Mahmoud, ainsi que du fait qu'on avait dû prévoir pour 1889 la mensualité du mois de Décembre 1888, payable en Janvier de l'année suivante.

Conseil des Ministres.—**Ministère des Finances.**—La réduction des prévisions de dépenses provient d'économies sur le personnel de ces Services.

Instruction Publique.—Pénétré des grands avantages de la diffusion de l'instruction dans le pays, le Comité s'est estimé heureux de pouvoir admettre la possibilité de doter plus largement le budget de l'Instruction Publique. L'augmentation considérable des crédits alloués à ce Département rencontrera certainement une approbation unanime.

Ministère de la Justice.—La diminution de l'estimation des dépenses de ce chef se réfère à une prévision qui avait été inscrite au Budget de 1889 pour l'installation des Tribunaux de la Haute-Égypte, dépense qui ne se renouvellera pas en 1890.

Ministère des Travaux Publics.—La diminution provient d'une dépense supplémentaire à laquelle il a été pourvu en 1889 pour être déduite des crédits de 1890.

Services divers des Ministères.—Depuis 1884, certaines dépenses relatives à diverses œuvres de bienfaisance et se montant à £ E. 7,600 avaient été laissées à la charge des Wakfs, mais après nouvel examen de la question, il a été admis que dorénavant ces dépenses devront être supportées par le Budget de l'État. D'autre part, ce chapitre a été majoré d'une somme de £ E. 1,600 imputée inexactement à la Rouznamah, ainsi que du montant d'une subvention accordée pour cette année au Théâtre de l'Opéra Khédivial.

L'expérience a démontré que l'exploitation de la scène du Théâtre de l'Opéra Khédivial ne peut réussir sans subvention; le crédit qui a été accordé permettra ainsi d'offrir une attraction de plus aux touristes venant en Égypte, tandis que le petit commerce profitera d'une plus grande affluence de voyageurs dans la capitale.

Service Administratif et de Perception des Provinces.—Le recensement des dattiers n'a pas eu lieu depuis 1881; le Comité estime qu'il convient de procéder à cette opération, et la prévision de dépenses dans ce but a été portée au Budget de 1890.

Douanes.—L'augmentation de dépenses est consacrée à l'amélioration du service des gardes-côtes, en vue de réprimer la contrebande du sel et des tabacs.

Chemins de Fer.—L'augmentation résulte de ce qu'en 1889 le 45 pour cent des dépenses n'avait pas été calculé sur le montant total des recettes.

Postes.—Le transfert à MM. Cook and Son du service des bateaux-poste entre Assiout et Assouan explique la diminution sur les prévisions de dépenses de cette administration; toutefois, la différence ne représente pas intégralement l'économie ainsi réalisée, car le Comité a cru devoir augmenter d'autre part les crédits de l'Administration de Postes, en vue de l'extension du service rural, et pour l'organisation au Caire et à Alexandrie du service de la distribution de la correspondance à domicile.

Paquebots-poste.—L'augmentation des dépenses est due au renchérissement du prix du charbon.

Ministère de la Guerre.—Le Comité est heureux de constater que le Ministère de la guerre a pu réaliser une économie, quoique minime, sur son Budget ordinaire. Il est à espérer que si la tranquillité est maintenue aux frontières, ce Département continuera, comme par le passé, à concourir à l'allègement du Budget général de l'État, en effectuant, dans le courant de l'année, autant d'économies que possible sur les crédits qui lui sont alloués.

Police et Prisons.—Les nouveaux crédits pour la police s'expliquent par le transfert des magasins dont la prévision était inscrite en 1889 au Budget du Ministère de la Guerre, par l'augmentation de l'effectif dans la Haute-Égypte, l'élévation de la solde des gardes au Caire et à Alexandrie, et le rattachement à la police des bureaux des passeports des Gouvernorats.

Pour les prisons, l'installation de la nouvelle prison de Guizeh a nécessité une augmentation dans les prévisions de dépenses de ce Service.

Armée d'Occupation.—La diminution des dépenses pour l'Armée d'Occupation est la conséquence de la réduction des dépenses imputables de ce chef au Budget Égyptien, en conformité de l'avis émis par la Commission chargée de l'examen de cette question.

La réduction n'a pu atteindre un chiffre aussi élevé que grâce aux notables économies que les autorités militaires Britanniques en Égypte ont su réaliser dans ces dépenses.

Pensions.—La diminution des prévisions pour ce chapitre résulte de la liquidation complète de toutes les anciennes demandes; les nouvelles demandes sont moins nombreuses, et dorénavant leur règlement pouvant s'effectuer sans délais, il n'y a plus d'arriérés à prévoir de ce chef; en outre, l'extinction graduelle des pensions du Soudan et des pensions par ordre supérieur tend à diminuer progressivement les charges du budget des pensions.

D'autre part, le Gouvernement espère pouvoir continuer l'échange des pensions pendant le courant de l'année 1890.

Daïra et Domaines.—En ce qui concerne la prévision du déficit de ces deux Administrations, le Comité s'est basé sur le chiffre du déficit de 1888 payable en 1889; il y a lieu de croire que le déficit de 1889 payable en 1890 ne sera pas plus élevé.

En résumé les prévisions budgétaires pour 1890 s'établissent comme suit :—

	£ E.
Recettes	9,650,000
Dépenses	9,500,000
Excédent des recettes	150,000

Les mesures que le Comité a l'honneur de proposer à l'approbation du Conseil des Ministres peuvent s'énumérer ainsi :—

Suppression de l'impôt professionnel dans toutes les localités du territoire autres que les villes les plus importantes, suppression qui constituera un sérieux soulagement pour une population d'environ 170,000 contribuables;

Abolition de l'octroi sur le riz;

Suppression de l'octroi à Rosette;

Abolition du droit de pesage;

Réduction de la taxe postale à l'intérieur;

Organisation du service de la distribution de la correspondance à domicile pour le Caire et Alexandrie;

Extension du service rural des postes;

Dotations de crédits importants en faveur de l'instruction publique.

Ces différentes propositions représentent dans leur ensemble une diminution des recettes de £ E. 121,000, savoir :—

	£ E.
Impôt professionnel	70,000
Octroi sur le riz et à Rosette	7,000
Droit de pesage	28,000
Postes	16,000

Il convient de rappeler aussi que l'augmentation du Budget de l'Instruction Publique se chiffre par £ E. 10,500.

D'autre part, il y a lieu de faire remarquer que les dépenses des chemins de fer comprennent une somme de £ E. 52,000, représentant l'annuité à payer pour l'extension projetée des voies ferrées, tandis qu'aucune recette n'a été prévue pour ces nouvelles lignes qui ne pourront commencer à être exploitées dans l'année même.

Il aurait peut-être été possible d'apporter encore d'autres allègements aux charges que pèsent sur le pays, mais il ne faut pas se dissimuler que tant que la tranquillité de la frontière ne sera pas définitivement assurée, le Trésor se trouvera exposé à des dépenses imprévues auxquelles il s'agit de faire face sans retard, et le Comité estime, en outre, qu'il serait plus prudent de consacrer en partie les excédents budgétaires à compléter le fonds de réserve qui consolide le crédit de l'Égypte, ainsi qu'à développer les travaux d'irrigation dont les populations retirent de si grands avantages.

(Signé) RIAZ.
ELWIN PALMER.
BLUM.
MAZUC.

Le Caire, le 16 Novembre, 1889.

Note au Comité des Finances.

Dans sa séance du Lundi, 18 Novembre courant, le Conseil des Ministres, réuni sous la présidence de Son Altesse le Khédive, a pris connaissance de la note par laquelle le Comité des Finances établit le budget des recettes et dépenses de l'Exercice 1890 de la manière suivante :—

	£ E.
Recettes	6,650,000
Dépenses	9,500,000
Excédent de recettes	150,000

Le Conseil, après étude des différentes propositions qui lui ont été soumises, a arrêté le budget provisoire de l'année 1890 aux chiffres qui précèdent, et a approuvé les mesures budgétaires ou administratives proposées.

Le Conseil est heureux de constater que l'amélioration de la situation financière lui permet de donner son approbation à des mesures qui, si elles ont pour résultat une diminution de certains chapitres de revenus budgétaires, apportent un soulagement considérable aux classes les plus pauvres de contribuables; l'influence de ces mesures ne manquera pas de se faire sentir favorablement sur le développement du progrès moral et matériel du pays.

Le Président du Conseil des Ministres,
(Signé) RIAZ.

Le Caire, le 18 Novembre, 1889.

BUDGET DES RECETTES ET DES DÉPENSES POUR L'EXERCICE 1890.

BUDGET des Recettes pour l'Exercice 1890.

	Budget pour l'Exercice 1890.		Budget pour l'Exercice 1889.	
	£ E.	£ E.	£ E.	£ E.
I. Contributions Directes—				
1. Impôts fonciers	5,100,000		4,841,100	
2. Autres Contributions Directes—				
Impôts professionnels	80,000		150,000	
Droits sur les propriétés urbaines ..	120,000		120,000	
„ moutons et les chèvres ..	40,000		35,000	
„ voitures et les bêtes de somme ..	8,000		8,000	
„ pressoirs d'huile ..	..		3,000	
	248,000	5,348,000	316,000	5,157,100
II. Contributions Indirectes—				
1. Douanes	600,000		666,000	
2. Tabac, tombac, et cigares—				
Droit sur le tabac, le tombac, et les cigares étrangers ..	478,000			
Droit sur le tabac et le tombac indigènes ..	45,000			
	523,000		465,900	
3. Octrois	281,000		290,000	
4. Sel et natron	220,000		220,000	
5. Pêcheries	80,000		80,000	
6. Droits de navigation	70,000		75,000	
7. Timbre et enregistrement	50,000		55,000	
8. Droits divers	35,000		70,000	
	1,859,000		1,921,900	
III. Revenus des Administrations de Recettes—				
1. Chemins de fer	1,352,000		1,390,000	
2. Télégraphes	27,000		25,000	
3. Port d'Alexandrie	110,000		110,600	
4. Postes	90,000		116,000	
5. Paquebôts-poste Khédiviens ..	130,000		115,000	
6. Phares	95,000		95,000	
7. Ports (autres que celui d'Alexandrie) ..	3,000		3,400	
8. Bureau de poinçonnement d'orfèvrerie ..	3,000		5,500	
	1,810,000		1,860,500	
IV. Recettes des Services Administratifs—				
1. Recettes diverses—				
Justice	340,000		310,000	
Rachat militaire	100,000		100,000	
Recettes diverses	50,000		60,000	
	490,000		470,000	
V. Location et Produits des Propriétés du Gouvernement—				
1. Location et produits des propriétés du Gouvernement	70,000		75,000	
	70,000		75,000	
VI. Recettes du Gouvernorat de Souakin—				
1. Recettes du Gouvernorat de Souakin ..	13,000		12,500	
	13,000		12,500	
VII. Retenue sur les Traitements du Personnel—				
1. Retenue sur les traitements du personnel ..	60,000		70,000	
	60,000		70,000	
Total	9,650,000		9,567,000	

BUDGET des Dépenses pour l'Exercice 1890.

	Budget pour l'Exercice 1890.		Budget pour l'Exercice 1889.	
	£ E.	£ E.	£ E.	£ E.
I. Liste Civile, Allocations, et Cabinet de Son Altesse le Khédive—				
1. Liste Civile de Son Altesse le Khédive ..	100,000		90,000	
2. Allocations à la famille Khédiviale ..	114,127		128,833	
3. Cabinet de Son Altesse le Khédive ..	60,900		60,000	
		275,027		278,833
II. Frais d'Administration et de Perception—				
1. Conseil des Ministres	5,189		6,209	
2. Conseil Législatif	8,600		8,600	
3. Ministère des Affaires Étrangères ..	11,006		11,006	
4. Ministère des Finances—				
Administration Centrale	88,056		91,824	
Service du Conseiller Financier ..	4,300		5,500	
Caisse de la Dette Publique ..	32,921		29,968	
5. Ministère de l'Instruction Publique ..	80,337		69,846	
6. Ministère de l'Intérieur—				
Administration Centrale	28,828		29,512	
Services Sanitaires	93,162		93,362	
Répression de la Traite	8,061		7,077	
Archives Égyptiennes	8,387		3,933	
	133,438			
7. Ministère de la Justice—				
Administration Centrale	14,632		14,662	
Contentieux de l'État	23,863		23,914	
Tribunaux de la Réforme	137,346		136,524	
Tribunaux Indigènes	138,684		143,090	
Mekhemehs	36,964		36,783	
	351,490			
8. Ministère des Travaux Publics ..	441,910		447,850	
9. Services divers des Ministères ..	99,227		87,772	
10. Service Administratif et de Perception des Provinces, Gouvernorats, et Municipalités—				
Provinces	343,992		241,956	
Gouvernorats	50,114		53,109	
Municipalités	26,958		25,994	
Recensement des dattiers	5,000		..	
Arpentage	5,000		5,000	
Imprimés	2,800		2,990	
Entretien des Palais et jardins ..	7,331		7,368	
	341,195			
11. Douanes	99,584		93,340	
12. Octrois	43,701		44,578	
13. Sel et natron	64,514		66,020	
14. Pêcheries	11,381		11,381	
15. Perception des droits de navigation ..	3,487		3,391	
	1,820,336		1,802,559	
III. Dépenses des Administrations de Recettes—				
1. Chemins de fer	637,000		585,000	
2. Télégraphes	34,000		35,000	
3. Port d'Alexandrie	19,500		20,472	
4. Postes	89,506		97,049	
5. Paquebôts-poste Khédiviens ..	109,100		103,590	
6. Phares	29,720		29,760	
7. Ports (autres que celui d'Alexandrie) ..	10,969		10,669	
8. Bureau de poinçonnement d'orfèvrerie ..	1,793		1,883	
	931,588		883,423	
IV. Sécurité Publique—				
1. Ministère de la Guerre	363,607		367,848	
2. Division de la Sécurité Publique ..	203,126		215,113	
3. Prisons	25,824		107,250	
4. Armée d'Occupation	90,000			
	682,557		690,211	
V. Gouvernorat de Souakin—				
Dépenses civiles	25,000		25,000	
Dépenses militaires	84,000		84,000	
	109,000		109,000	
VI. Pensions—				
1. Pensions et traitements de disponibilité ..	475,000		500,000	
	475,000		500,000	

	Budget pour l'Exercice 1890.		Budget pour l'Exercice 1889.	
	£ E.	£ E.	£ E.	£ E.
VII. Tribut et Dette Publique—				
1. Tribut de l'Égypte	678,397		678,397	
2. Dette Consolidée et Non-Consolidée—				
<i>Dette Consolidée.</i>				
<i>Dette Garantie</i>			307,125	
<i>„ Privilégiée</i>			1,086,969	
<i>„ Unifiée</i>			2,183,588	
<i>Emprunt 4½ pour Cent ..</i>			130,000	
<i>Dette Non-Consolidée.</i>				
<i>Intérêts sur actions du Canal de Suez</i>			193,858	
<i>Service de la Dette Daïra Khassa</i>			34,000	
<i>Annuité de la Moukabalah ..</i>			150,000	
<i>Intérêts sur avances faites au Trésor</i>			3,000	
<i>Frais de change</i>			3,037	
<i>Complément du Service des Domaines et de la Daïra Sanieh</i>			275,000	
	4,263,095	4,941,492		5,044,974
VIII. Dépenses imprévues—				
1. Dépenses imprévues	15,000	15,000	10,000	10,000
IX. Suppression partielle de la Corvée—				
1. Suppression partielle de la corvée ..	250,000	250,000	250,000	250,000
		9,500,000		9,569,000
A déduire—				
<i>Économies à réaliser par application de la décision du Conseil des Ministres interdisant toute promotion et toute augmentation de traitement en 1889 ..</i>	..	..	..	10,000
Total	..	9,500,000		9,559,000

No. 73.

Stock Exchange to Foreign Office.—(Received December 5.)

Sir, London, December 4, 1889.
 BY direction of the Committee of the Stock Exchange I herewith send to you, for the information of the Marquis of Salisbury, copy of a letter addressed by the Committee to the Commissioners of the Public Debt in Egypt, in reply to the communication from the Commissioners referred to in Sir Evelyn Baring's despatch.

I am, &c.
 (Signed) FRANCIS LEVIEN, Secretary.

Inclosure in No. 73.

Stock Exchange to Mr. Money.

Sir, London, December 4, 1889.
 THE Committee of the Stock Exchange have directed me to thank you for your communication of the 13th November, and to express the hope that, in view of the important interests at stake, all impediments to the quotation of Egyptian State Bonds may soon be removed.

The Committee recognize the force of the statement made to them, that it is impracticable, at the present moment, to obtain any formal repeal of existing Egyptian laws with regard to lost or stolen bonds or coupons, but are glad to find that the Commissioners of the Public Debt are prepared to avail themselves of the

freedom of action enjoyed by them, under the Decree of June 1886, to make such new Regulations, and to issue such instructions as will in future practically enable *bond fide* holders and presenters of Egyptian bonds to bearer, and the coupons thereof, to receive payment for property which has been honestly acquired by them for value in the open market.

The Committee are of opinion that the Regulations detailed in your letter will effect the objects aimed at, and upon receiving an intimation from you that the necessary instructions will be given, they will consider that their duty to the English public with regard to this matter has been discharged, and that they will be free to grant an official quotation to the 4½ per Cent. Egyptian Loan.

The Committee depend upon the adoption by the administration of the Daïra Sanieh of Regulations identical with those now proposed by you on behalf of the Commissioners of the Debt.

I have, &c.
 (Signed) FRANCIS LEVIEN, Secretary.

No. 74.

Mr. Clarke to the Marquis of Salisbury.—(Received December 5, 3 P.M.)

(No. 153. Confidential.)
 (Telegraphic.)

Cairo, December 5, 1889, 2:50 P.M.

EGYPTIAN Government are going to inform French Government that they are about to abolish corvée, replacing the "rachat" by a tax on land; but that if France will agree to the conversion, tax on land will not be imposed. This will put French Government in a predicament, and may perhaps bring about their assent to conversion.

Financial Adviser is of opinion that no better use can be made of economy. French Government are as yet unaware of proposed measure, but will be shortly informed.

I have consulted Sir E. Baring, and he fully approves.

No. 75.

The Marquis of Salisbury to Count Deym.

(Confidential.)

M. l'Ambassadeur,

Foreign Office, December 9, 1889.

WITH reference to an inquiry made by M. Heidler on the 7th October on the subject of the proposal of the Russian Commissioner of the Caisse de la Dette in Egypt, that the salaries of the Commissioners should be paid out of the surplus of the assigned revenues, instead of from the Administrative Budget, I have the honour to inform your Excellency that after consultation with Her Majesty's Agent at Cairo, Her Majesty's Government consider that it would not be advisable to make any change in the position of the Commissioners.

I inclose, for your Excellency's confidential information, a copy of a letter addressed to Sir E. Baring by Mr. Money, the English member of the Caisse, on the subject.*

I have, &c.
 (Signed) SALISBURY.

No. 76.

Mr. Clarke to the Marquis of Salisbury.—(Received December 10.)

(No. 390.)

My Lord,

Cairo, November 28, 1889.

I HAVE the honour to transmit herewith copy of the Khedivial Decree appointing Mr. Alfred Milner Director-General of Accounts.

I have, &c.
 (Signed) F. S. CLARKE.

Inclosure in No. 76.

Decree dated November 27, 1889.

NOUS, Khédive d'Égypte,
Sur la proposition de notre Ministre des Finances et l'avis conforme de notre
Conseil des Ministres;

Décrétons :

Article 1^{er}. Mr. Alfred Milner est nommé Directeur-Général de la Comptabilité
de l'État au Ministère des Finances.

Art. 2. Notre Ministre des Finances est chargé de l'exécution du présent Décret.
Fait au Palais d'Abdin, le 27 Novembre, 1889 (4 Rabi-el-Akher, 1307).

(Signé) MÉHÉMET TEWFIK.

Par le Khédive :

Le Président du Conseil des Ministres,
Ministre des Finances,
(Signé) RIAZ.

No. 77.

Sir E. Baring to the Marquis of Salisbury.—(Received December 11, 10 A.M.)

(No. 155.)
(Telegraphic.)

Cairo, December 11, 1889, 9:25 A.M.

MR. CLARKE'S telegram No. 153 of 4th.
Egyptian Government will to-day again address French Government about
conversion project.

No. 78.

Sir E. Baring to the Marquis of Salisbury.—(Received December 16, 10:30 A.M.)

(No. 160.)
(Telegraphic.)

Cairo, December 16, 1889, 9:39 A.M.

RUSSIAN Consul-General has intimated to Egyptian Government that his
Government is prepared to agree to the conversion project if the French do.

No. 79.

Sir E. Baring to the Marquis of Salisbury.—(Received by telegraph, December 16.)

(No. 408. Ext. 160.)
My Lord,

Cairo, December 16, 1889.

I HAVE the honour to report that the Egyptian Government has received an
intimation from M. Koyander, the Russian Consul-General, to the effect that, if the
French Government agree to the proposed conversion scheme, his Government are
also prepared to give their adhesion.

I have, &c.
(Signed) E. BARING.

No. 80.

The Marquis of Salisbury to Sir E. Baring.

(No. 107.)
(Telegraphic.)

Foreign Office, December 18, 1889, 4 P.M.

GERMAN Government state that they are ready to agree to the proposed
abolition of the corvée and the imposition of a land tax, without the consent of all
the Powers being asked, as required by a strict interpretation of the Law of
Liquidation.

No. 81.

The Marquis of Salisbury to Sir E. Baring.—(Substance telegraphed.)

(No. 296. Ext. 107.)
Sir,

Foreign Office, December 18, 1889.

I TRANSMIT to you herewith, for your information, a copy of a despatch which
I have addressed to Her Majesty's Ambassador at Berlin respecting the assent of the
German Government to the proposed abolition of the corvée in Egypt, and the
imposition of a land tax to cover the cost of this measure.*

I am, &c.
(Signed) SALISBURY.

No. 82.

The Marquis of Salisbury to Sir E. Malet.

(No. 390.)
Sir,

Foreign Office, December 18, 1889.

COUNT LEYDEN called at the Foreign Office on the 17th instant, and stated
that the Government were ready to agree to the proposals of the Egyptian Government
with regard to the abolition of the corvée, and the imposition of a land tax to cover
the cost of this measure, without the consent of all the Powers being asked, as required
by a strict interpretation of the Law of Liquidation.

I shall be glad if your Excellency will take an opportunity of informing Count
Bismarck that the friendly disposition shown by the German Government in this
matter is much appreciated by Her Majesty's Government.

I am, &c.
(Signed) SALISBURY.

No. 83.

Sir E. Baring to the Marquis of Salisbury.—(Received December 23.)

(No. 398.)
My Lord,

Cairo, December 9, 1889.

I HAVE the honour to transmit to your Lordship herewith copy of a letter which I
have received from Mr. Gibson, English Commissioner of the Domains Administration,
requesting me to obtain for him a renewal of permission to serve in Egypt for a further
period of five years.

I venture to beg your Lordship to recommend Mr. Gibson's application to the
favourable consideration of Her Majesty's Government.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 83.

Mr. Gibson to Sir E. Baring.

Sir,

Cairo, December 5, 1889

WITH reference to your letter of the 19th December, 1884, I have the honour to
bring to your notice that the term of five years, for which Her Majesty's Secretary of
State for India granted me permission to serve in Egypt, will expire on the 14th May
next, 1890.

I have therefore the honour to request that you will do me the favour of obtaining
from Her Majesty's Government a renewal of the permission for a further period of five
years, subject to the condition that I comply with the requirements of Act 23
Geo. III., by reverting *pro forma* to my duty in Bombay.

I have, &c.
(Signed) J. GIBSON.

Sir E. Baring to the Marquis of Salisbury.—(Received December 23.)

(No. 403.)

My Lord,

Cairo, December 12, 1889.

I HAVE the honour to reply to your Lordship's despatch No. 281 of the 21st ultimo.

With my despatch No. 357 of the 10th October I forwarded a Memorandum of Mr. Palmer's, in which, with reference to a claim of Her Majesty's Government against the Egyptian Government for 6,000*l.* on account of the extra expenses of the Army of Occupation for the year 1888-89, it was pointed out that, in that year, the British army was considerably below its sanctioned strength, and that therefore the Egyptian Government should only be called upon to pay the extra cost, and not the total cost, of the hundred odd men which are added to each battalion when it is sent abroad.

The Egyptian Government have, indeed, a rather specially strong case in equity to have any counter-claims of theirs considered to balance the War Office claim of 6,000*l.*, for I presume that this latter charge is due to the expenses connected with the small Suakin expedition.

It will be in your Lordship's recollection that the English troops which were sent to Suakin were, to a great extent, forced on the military authorities here. They did not apply for them, and the result proved that, with the exception of the small force of cavalry, their presence was not required. The Dervishes were easily driven out of the trenches in front of Suakin by the Egyptian troops.

I did not support Mr. Palmer's argument very thoroughly, as, although it appeared at first sight to be somewhat strong, I thought it very probable that there were some counter-arguments with which I was unacquainted, and which might invalidate its strength. I therefore merely stated that the argument was one which appeared to "merit the consideration of Her Majesty's Government."

The War Office now reply that this argument is "totally inadmissible." It has to be borne in mind that, before anything definite can be decided in this matter, either Mr. Palmer or myself must necessarily communicate with the native element in the Egyptian Government. I have never attached any very great importance to the precise amount at which the expenses of the Army of Occupation are fixed. A few thousand pounds one way or the other will not seriously affect the financial position here. But I attach the utmost importance to convincing the Egyptian authorities that any charge made against them is a perfectly fair one, and that any arguments they may bring forward are fully considered.

I have many matters besides the Army of Occupation expenses to discuss with the Egyptian authorities in which British interests are concerned, and I have invariably found that their attitude in connection with one particular subject is materially influenced by considerations based on some other, and, perhaps, wholly unconnected subject. If I were to refuse to entertain the argument they have now brought forward without being able to assign any valid reasons for my refusal a bad impression would be created, which would be sure to cause embarrassment sooner or later in connection with other matters, more especially as the point is one on which the Egyptian authorities are rather specially sensitive.

Your Lordship will observe that Mr. Palmer, in the Memorandum of which I have the honour to inclose a copy, again presses his former argument on the attention of Her Majesty's Government. I trust the argument will be considered, and I would especially beg that, in the event of the War Office adhering to its present decision, I should be furnished fully with their reasons for doing so. It is on many grounds undesirable to reject any proposal of this nature brought forward by the Egyptian Government unless valid reasons can be given to justify the rejection.

As regards the proposal to fix the Egyptian payment at 95,000*l.* a-year for three years, there can be no doubt that some arrangement of this sort would be desirable, as it would get rid of the constant discussion which has taken place on this subject, and which causes a good deal of irritation. This, from my point of view, is more important than the question of whether the English Government is to receive, or the Egyptian Government to pay, a few thousand pounds, more or less.

But your Lordship will observe that Mr. Palmer demurs to the acceptance of the figure of 95,000*l.* a-year, and proposes that the Egyptian payment should be fixed at 75,000*l.* I have the following observations to offer on this subject.

I presume that the figure of 95,000*l.* was arrived at somewhat as follows:

When the Commission which sat at Cairo under my presidency last summer

assembled, they took as the basis of their deliberations a figure of 105,500*l.*, which had previously been fixed by the War Office as the amount of the Egyptian contribution. The Commission proposed certain economies, amounting in all to rather more than 28,500*l.*

Of this, about 10,500*l.* was due to the proposal that the strength of the English battalions serving in Egypt should be reduced. This proposal was rejected by the War Office on grounds which I can well understand, and which I can easily explain and defend in dealing with the Egyptian authorities. I should add that, for my own part, I should not have agreed to this proposal being made had I not been informed, on what seemed to be good authority, that the reduction in strength of the Egyptian battalions would not necessarily involve any corresponding increase at home.

Economies which had been proposed by the Commission in the Medical Establishment were also rejected by the War Office to the extent of 3,000*l.*

The economies were thus reduced from 28,500*l.* to about 15,000*l.*

But the saving was still further diminished to the extent of about 3,000*l.* by increasing the rate of the colonial allowances granted to the officers.

I should explain, in connection with this point, that at present the officers receive colonial allowances at the rate of 1*s.* 6*d.* per diem. It was represented to the other members of the Commission by Sir James Dormer that this rate was insufficient. He proposed to double it, the increased cost involved amounting to about 3,000*l.* A good deal of discussion took place on this point. Eventually, more in order to insure unanimity than because all the members of the Commission were convinced of the necessity for the increase, it was agreed to recommend the increase, provided the other economies proposed in the Report were generally accepted. If I understand rightly, it is now proposed to reject the most important of the proposals made by the Commission, but at the same time to carry out the proposed increase in the colonial allowance. To this proposal I venture to take strong exception. If it be carried out, a very bad impression will be produced here. I can, as I have already said, understand that the War Office is unable to accept the proposal to reduce the strength of the battalions. On the other hand, I venture to think that advantage should not be taken of the proposal of the Commission to increase the rate of colonial allowance. In the minds of the majority of the Commission, which includes myself, the two subjects were intimately connected together. We certainly should not have proposed the increase without the corresponding reduction.

By the War Office proposal the net economy is, as I have already explained, reduced from 15,000*l.* to 12,000*l.* Deducting this latter figure from the original estimate of 105,500*l.*, we arrive at the figure of 93,500*l.*, which is mentioned in the War Office letter of the 26th July (Confidential print, Egyptian Finance, No. 889) as the sum at which the Egyptian contribution might possibly be fixed in subsequent years.

This figure appears to have been rounded off by the addition of 1,500*l.*, thus making a total of 95,000*l.* I venture, however, to think it should be reduced by 3,000*l.*, being the amount of the extra colonial allowance, thus bringing the total down to 90,000*l.*

Nor is this all. The present practice is to submit the estimates framed here to the Egyptian authorities before they are sent home. This is a very wise measure, as the latter then know what they are paying, and can bring forward any observations which they may wish to have considered. The Estimates were sent to me some few weeks ago by Sir James Dormer, with a request that I would forward them to the Egyptian Government for remarks. I am now about to return them to Sir James Dormer, with the observations of the Egyptian Financial Department.

The Estimate sent to me amounted to about 78,000*l.* This is, however, I understand, based on the supposition that the strength of the battalions would be reduced and the colonial allowance increased, as proposed by the Commission. If the strength of the battalions is not reduced, and no increase is made in the colonial allowance, the Estimate would amount to about 84,000*l.*

The Egyptian Financial Department has made certain remarks, from which it would appear that, in their opinion, the Estimate is capable of reduction to about 71,500*l.* Mr. Palmer, as your Lordship will observe, proposes in his Memorandum to fix the payment for the next three years at a sum not exceeding 75,000*l.* The matter can hardly be decided until the present Estimates have been sent home and examined at the War Office. I may say, however, that whilst Mr. Palmer's figure of 75,000*l.* appears to be somewhat below the mark, the figure of 95,000*l.* would certainly seem to be excessive. So far as I can at present see, about 80,000*l.* would appear to be a fair sum.

I have, &c.

(Signed) E. BARING.

Inclosure in No. 84.

Memorandum.

THE War Office, in a despatch addressed to the Foreign Office, dated the 18th November, propose that the Egyptian Government should agree to pay 95,000*l.* a-year for the next three years, commencing from the year 1890-91, on account of the Army of Occupation.

It is not very clear upon what this figure is based. The Budget, which has been submitted to the Egyptian Government by the military authorities in Cairo, amounts to 78,069*l.*, and even if the economies proposed by the Commission which sat in the summer to examine the expenditure of the Army of Occupation be not accepted, the total charge only amounts to 87,531*l.* From this sum must be deducted the 3,662*l.* on account of the Colonial allowance, which was only to be raised if the proposals of the Commission were agreed to, leaving thus a charge of 83,869*l.* against Egypt.

Moreover, the Egyptian financial authorities require explanations regarding certain sums which are charged, before they can accept the full amount included in the Budget. It is clear, therefore, that the Egyptian Government cannot accept the War Office proposal.

It seems that, for military reasons, the proposal of the Commission, to the effect that the regiments in Egypt should not be increased over their home strength, cannot be accepted, and the War Office, in the despatch referred to above, maintain that the argument that inasmuch as the 261 men would form part of the British army, whether there was an Army of Occupation in Egypt or not, and would be paid by England, and that, consequently, Egypt should be made to pay only the extra charge, and not the full pay and allowances of these men, is wholly inadmissible.

The Egyptian Government fail to see *why* this argument is inadmissible. The British Treasury has very clearly laid down that it has all along been the intention of Her Majesty's Government to charge Egypt only with the actual extra cost entailed by the occupation, and as these extra men would, even if there existed no army in Egypt, still be kept on and be paid by England, it seems impossible to admit that their presence in Egypt entails an extra expenditure on the British Government to the extent of their whole pay and allowances. The Egyptian Government is quite prepared to pay the extra cost in regard to these men as it does for the rest of the army, but it does not consider itself liable for any further charge.

I cannot help thinking that the Treasury, in the face of their own declaration, could but agree with the argument put forward by the Egyptian Government.

That the sum to be paid to the British Government on account of the Army of Occupation for the next three years should be fixed is certainly desirable, and the Egyptian Government would agree to any sum not exceeding 75,000*l.* a-year.

(Signed) ELWIN PALMER, *Financial Adviser.*

December 10, 1889.

No. 85.

Sir E. Baring to the Marquis of Salisbury.—(Received December 23.)

(No. 406.)

My Lord,

Cairo, December 15, 1889.

I HAVE the honour to transmit herewith copy of a Khedivial Decree which appeared in the "Journal Officiel" of yesterday, appointing M. J. B. Morana to be the Italian Commissioner of the Caisse de la Dette Publique, in the place of M. Machiavelli.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 85.

Extract from the "Journal Officiel" of December 14, 1889.

Décret.

NOUS, Khédive d'Égypte,
Vu l'Article 5 du Décret en date du 2 Mai, 1876,

Décrétons :

M. J. B. Morana est nommé Commissaire-Directeur de la Caisse de la Dette Publique, en remplacement de M. J. B. Machiavelli.

Fait au Palais d'Abdin, le 12 Décembre, 1889 (18 Rabi-Akher, 1307).

(Signé) MÉHÉMET TEWFIK.

Par le Khédive :
Le Président du Conseil des Ministres,
(Signé) RIAZ.

No. 86.

Foreign Office to Treasury.

Sir,

Foreign Office, December 24, 1889.

I AM directed by the Marquis of Salisbury to request that you will state to the Lords Commissioners of Her Majesty's Treasury that Her Majesty's Agent and Consul-General in Egypt reports, under date of the 9th instant, that orders have been given by the Egyptian Government for the payment into the Bank of England, on the 31st December next, of a sum of 131,328*l.* 14*s.* 4*d.*—being the amount due to Her Majesty's Government for capitation tax and interest on Suez Canal shares for the current year.

I am, &c.
(Signed) P. CURRIE.

No. 87.

Foreign Office to India Office.

Sir,

Foreign Office, December 24, 1889.

I AM directed by the Marquis of Salisbury to transmit herewith a copy of a despatch from Her Majesty's Agent and Consul-General in Egypt,* transmitting an application from Mr. Gibson, English Commissioner of the Domains Administration, for permission to serve in Egypt for a further period of five years.

Lord Salisbury is of opinion that it is desirable to accede to this request, and I am consequently to request that it may be recommended to the favourable consideration of the Secretary of State.

I am, &c.
(Signed) P. CURRIE.

No. 88.

Sir E. Baring to the Marquis of Salisbury.—(Received December 26, 4.15 P.M.)

(No. 163.)

(Telegraphic.)

Cairo, December 26, 1889, 3.15 P.M.

COUNT D'AUBIGNY has replied verbally to the conversion proposal in the following sense: That the French Government are prepared to agree on the following conditions: first, that the expenditure on irrigation, for which a certain amount is to be borrowed in connection with conversion project, should be previously approved by a Commission composed of Moncreiff, Secretary-General of the Public Works Department, who is at present a Frenchman, and the three Administrators of Railway; secondly, that any economy realized on the conversion over and above what is

necessary to abolish corvée should be either applied to increasing the Egyptian army or should be set aside as a special fund for military expenditure on the Egyptian army in the future.

Answer to be given will require consideration. In the meantime, please inform me whether it is correct, as stated by Reuter's Agency here on the authority of the "Temps" newspaper, that some communication about conversion has been made by French Government to Her Majesty's Government.

No. 89.

Sir E. Baring to the Marquis of Salisbury.—(Received by telegraph, December 26.)

(No. 424. Ext. 163.)

My Lord,

A VERBAL reply has been made by the French Consul-General to the proposal respecting the conversion of the privileged stocks.

M. d'Aubigny announces that the French Government are prepared to agree to the conversion on the following conditions:—

1. That the expenditure on irrigation, for which a certain amount is to be borrowed in connection with the conversion project, should be previously approved by a Commission composed of Colonel Sir C. Scott Moncrieff, M. Baroni, a French gentleman, who is now the Secretary-General of the Public Works Department, and the three Administrators of the Railway Board.

2. That any economy which may be realized on the conversion beyond what is necessary for the abolition of the corvée should be applied to increasing the Egyptian army, or should be set aside as a special fund for military expenditure on the Egyptian army in the future.

It is, I submit, necessary to consider very carefully what answer should be returned by the Government of the Khedive to these French proposals. In the meantime, I should be glad if your Lordship could inform me whether there is any truth in a report published here this morning by Reuter's Agency on the authority of the "Temps" newspaper, that some communication about the conversion very much to the above effect has been made direct to Her Majesty's Government by the French Government.

I have, &c.
(Signed) E. BARING.

No. 90.

Sir E. Baring to the Marquis of Salisbury.—(Received December 27, 4:30 P.M.)

(No. 164. Secret.)
(Telegraphic.)

Cairo, December 27, 1889, 2:30 P.M.

EGYPTIAN authorities naturally look to me for advice as to their answer to the French about conversion. I have discussed the matter with Financial Adviser, and should be glad, before committing myself to any of the native Egyptian authorities, to learn your views on following points.

As matters now stand, one half of the economy would go to the Egyptian Government, and one half would be paid to the Caisse, to the account of reserve fund.

Do you see any objection in principle to the portion paid to the reserve fund being treated as a special reserve, to be only applied to military expenditure in case necessity should arise in the future? Or, if French would not accept this, do you see any objection to Egyptian Government saying that they would be prepared to add a battalion to the Egyptian army, supposing the economy effected to be sufficient to cover expense?

Although Egyptian army is at present sufficient for frontier defence, it is quite possible that the necessity of slight increase may eventually arise.

Objection to both of these proposals is that they would probably be misinterpreted both by French Government and the public, who would view either one or the other as a first step towards substituting Egyptian for English troops. Personally, I do not attach much importance to this latter view, as the answer given by the Egyptian Government would leave us as free as before to deal with the evacuation question, but I should like to know your view.

Riaz Pasha is, I believe, inclined to refuse all the French proposals absolutely, but Financial Adviser and I think it would be advisable, if possible, to give them some sop.

We are quite clear that the proposal about constituting a Commission to supervise irrigation works should be rejected.

Please send as early an answer as possible.

No. 91.

Sir E. Baring to the Marquis of Salisbury.—(Received December 30.)

(No. 409.)

My Lord,

Cairo, December 17, 1889.

I HAVE the honour to inclose herewith the official Report published by the Commissioners of the Caisse in the "Journal Officiel" of yesterday, showing the progress of the reduction of the $4\frac{1}{2}$ per Cent. Loan.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 91.

Extract from the "Journal Officiel" of December 16, 1889.

CAISSE DE LA DETTE PUBLIQUE.

Amortissement de l'Emprunt $4\frac{1}{2}$ pour Cent.

Semestrialité du 20 Décembre, 1889.

	£	s.	d.	£ E. m.
<i>Fonds disponibles.</i>				
Solde ancien	15,209	3	4	1 625
Dotation d'amortissement du 20 Décembre				14,828 937
Coupons à encaisser le 20 Décembre, soit 15,480l. nominales achetées par anticipation	348	6	0	339 592
				15,170 154
<i>Emploi des Fonds.</i>				
Achat de titres pour 15,480l. nominales, ayant coûté coupons compris	15,557	8	6	15,168 465
(Dédution faite de 348l. 6s. montant du coupon du 20 Décembre, sur ces titres acquis à la Caisse, le prix d'achat correspond au cours de 98 $\frac{1}{2}$.)				
Solde				1 689

Par suite de cet amortissement le capital de l'Emprunt $4\frac{1}{2}$ pour Cent se trouve réduit à 2,271,520l.

La demi-annuité fixe de 66,666l. 13s. 4d. se décomposera comme suit:—

	£	s.	d.
Dotation d'intérêts	51,109	4	0
" d'amortissement	15,557	9	4

Le Caire, le 16 Décembre, 1889.

Les Commissaires-Directeurs,
(Signé)

Prince A. MOUROUSI.
G. LE CHEVALIER.
A. MONEY.
G. B. MORANA.
Comte ZALUSKI.
Baron RICHTHOFEN.

Pour copie conforme:

Le Contrôleur,
(Signé) W. Mog.

Sir E. Baring to the Marquis of Salisbury.—(Received December 30.)

(No. 413.)

My Lord,

Cairo, December 17, 1889.

I HAVE the honour to transmit herewith two copies of a note by Mr. Palmer on the Budget of 1890. I reserve my remarks on the subject until the publication of the final accounts of the current year.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 92.

Note on the Budget of 1890.

THE note on the Budget of 1890 presented to the Council of Ministers by the Finance Committee explains in sufficient detail the differences between the figures of 1889 and those of 1890. I merely propose, therefore, to offer a few general observations on the Budget, and on the financial situation in Egypt.

Land Revenue.

The land revenue Estimate for 1890 allows a sum of £ E. 180,000 for the possible non-collection of taxes. This is a larger sum than will probably be found necessary, and the actual receipts may be expected to exceed the Budget. There seems every prospect in the current year that the full land revenue will be collected, with the exception perhaps of a small amount of 40,000*l.* or 50,000*l.*, and of course leaving out of account the remitted taxes on the land not watered by the Nile in 1888, and consequently uncultivated in 1889. The tax on these lands amounts to no less a sum than £ E. 340,000.

The loss of so large an amount of revenue, £ E. 40,000 more than was estimated, might reasonably lead one to expect the current year to close with a deficit. It is very satisfactory to know that, so far as one is able to judge at present, this will not be the case. The amount of taxes due in December is however so large that it is difficult to make a very accurate estimate even within a month of the closing of the year.

That it has been possible to collect this year nearly the whole of the land tax shows that the land can in a good year pay the amount at which it is now assessed. It is, however, often urged that the land tax in Egypt is too heavy. While undoubtedly the tax on some lands is higher than it should be, there are other lands which could pay a heavier tax than they at present pay. What is really needed in Egypt is a re-settlement of the whole land revenue, a very difficult task to undertake, but one which the Government should not shirk much longer. It would probably show that some reduction of the land tax on the whole would be desirable, but I am convinced that much more good can be done by spending money upon irrigation works, and thus improving the land, than by making any small reduction of taxation, the result of which would scarcely be felt by the population in general.

Could the Government afford to reduce the land tax to any considerable extent it would be well to do so, for it must not be forgotten that more than half of the revenue of Egypt is paid by the land, and that consequently any failure of the Nile very seriously affects the financial situation.

The very satisfactory collection of taxes this year is undoubtedly due to the energy and authority possessed by the actual President of the Council of Ministers, Minister of the Interior, and Minister of Finance, three appointments which should, in my opinion, invariably be held by one and the same person, provided a man able to perform all the duties efficiently can be found. On referring to the receipts of the years during which his Excellency Riaz Pasha was previously in office, I find the collection of revenue was always highly satisfactory.

Professional Tax.

The professional tax which the Egyptian Government have decided to abolish in all but the large towns was a tax which led to considerable abuse. The taxes were often

fixed in a very arbitrary manner by the local officials. Its abolition has met with very general approval throughout Egypt, and has certainly given considerable relief to the poorest classes in the country. It is hoped that the new Professional Law, applicable to both Europeans and natives, will shortly be issued. The rates established are exceedingly low, and the poorest classes are altogether exempted from the tax. The new Law will give relief to a large number of natives, while it will equalize the taxation amongst the different nationalities in Egypt, and the rich will pay to the relief of the poor.

The new Stamp Law, also applicable to both Europeans and natives, will likewise probably be promulgated shortly. The publication of these two Laws will settle once for all the just grievance of the natives that they were liable to taxes in their own country, which Europeans resident in Egypt were not called upon to pay.

Tobacco.

The tobacco question is one which must be reconsidered during the next few months, as the arrangements made in 1887 with Greece, and with the Turkish Régie, only last until the 30th June, 1890. Egypt obtains at present only a very small revenue from tobacco compared with that received by other countries, and the tax is one which should produce a much larger sum than it does. From a fiscal point of view there is much to be said in favour of the total prohibition of the cultivation of tobacco in Egypt. The increased receipts from imported tobacco would exceed any revenue that could be obtained by taxes on local cultivation, and the measure would injuriously affect only the tobacco cultivators, who are insignificant in number. The Egyptian Government was not, however, prepared to sanction the total prohibition of its cultivation until the question had been more minutely examined, and it was therefore decided as a temporary measure to limit the cultivation to an area of 1,500 feddans. It is estimated that the yield of tobacco from these 1,500 feddans will be close on 1,000,000 kilog., if not more. The annual consumption of tobacco in Egypt is held to be about 7,500,000 kilog., and the quantity imported amounts to about 2,600,000 kilog. at present, but with the restricted cultivation this should largely increase. Inasmuch, however, as during the current year about 4,000 feddans were cultivated, the stock of native tobacco accumulated in the country must be large, and this must be consumed before we can expect an increased revenue from imported tobacco. Unfortunately the data upon which we must base our calculations in regard to tobacco are not very reliable, and we have all along been working rather in the dark.

The measures taken in 1887 did not produce nearly as large an increase in the revenue as was expected, and it is not possible to say for certain what would be the result of total prohibition of local cultivation. It could not fail, however, to produce a large increase of revenue, and as the tobacco tax is an indirect tax on a luxury, the Egyptian Government is justified in seeking to develop this branch of revenue which may render possible a reduction of the direct tax on land.

Octroi.

The Budget for 1890 provides some relief of the octroi tax. The mode of assessing this tax is not at present very equitable, and a change is desirable in the interest of the taxpayers.

Weighing Tax.

The weighing tax which has been abolished was one which pressed unfairly on the natives. The native weighmen were required to pay the Government one-half of their receipts, whereas the European weighmen could not be compelled to do the same. The result was, the native weighman suffered considerably from the competition of the European, who was able to work at cheaper rates, having no tax to pay. It was high time that such an unequal tax should be removed; its abolition likewise gives a certain amount of relief to the commerce of the country.

Railways.

The population will benefit largely from the railway extensions which the Egyptian Government hope to see commenced in 1890, and from the agricultural roads which it is proposed to make as an experiment in two of the provinces. There can be no doubt that

there is still much to be done in the way of opening up the country by the extension of the railway system and the making of roads. The value of land greatly increases as soon as it is brought within measurable distance of a railway, and there are at present large tracts of land which it does not pay to cultivate because the cost of transport is so great.

Postage.

The introduction of a penny ($1\frac{1}{4}$ d.) postage in Egypt, is one of the satisfactory reforms introduced by the Budget for 1890. That a letter from Cairo to Alexandria should cost as much as a letter from Cairo to London or still farther, was one of those absurdities which could not much longer be allowed, and I have little doubt but that we shall find that, as in other countries, the reduction of postage means eventually an increase in the receipts, though it may take longer to realize in Egypt than elsewhere. The decision that in Cairo and Alexandria Post Office messengers should in future deliver letters at the houses of the people, instead of their having to send to the post-office for them, will certainly meet with approval, and tend to increase correspondence, as also will the development of postal communication in the interior. It is to be hoped that the Egyptian Government may soon be able to extend the post throughout the country.

Education.

The increased grant of £ E. 10,000 for public instruction will be universally approved, especially as it provides for the creation of an agricultural school, an institution much needed in a country like Egypt. There is still much to be done in the way of education, but it must be done gradually.

It is satisfactory to know that instruction in English is progressing satisfactorily, additional masters having been brought from England who will undoubtedly do much good in the schools.

Pensions.

There is every reason to hope that the pension charge will decrease for some years to come. The pensions on account of the Soudan at present amount to over £ E. 80,000 a-year, and those granted by favour by the late Khedive to £ E. 40,000. As these pensioners gradually die off there are no fresh ones to take their places. The Soudan has been abandoned, and the system of granting pensions outside the law has been practically stopped. This should lead to a reduction in the pension charge, as will also the new Pension Law, which is less favourable than the old one.

Daira and Domains.

The provision made to meet the Daira and Domains deficit is less than in previous years, but it is much to be regretted that it is still necessary to keep up such expensive Administrations, and that the lands cannot be given back into the hands of the population. Something has been done in this respect as regards the Domains, by the exchange of pensions for land, but this is a slow process.

Administrative Expenditure.

The total administrative expenditure provided for in the Budget for 1890 exceeds the limit fixed by the law by £ E. 75,000, but the Government share of the surplus more than covers this excess. Every endeavour has been made to reduce the expenditure, but it is found impossible, as long as the army expenditure and the pension charge are so high, to keep within the prescribed limit. It is very often false economy to postpone expenditure which must be sooner or later incurred, and although the Public Works Budget provides a certain sum of money for public buildings, more will have sooner or later to be spent, especially on the buildings in the provinces.

The district Public Offices are in many instances merely mud huts, the prisons are often over-crowded, and fresh ones are much needed, and the Minister of Justice frequently appeals to the Treasury for money for the improvement of the Native Courts.

I hope it may be possible, by making use of prisoner's labour—most of whom now do no work whatever—to make considerable improvements in the provincial public buildings. The practice of keeping prisoners idle while in custody is a bad one, both for the

prisoners and the Government; steps are therefore being taken to introduce remunerative labour in the large gaols, and it is to be hoped that the prisoners in the district gaols may be employed on extra-mural work.

The published Budget for 1890, after providing for relief of taxation to the extent of over £ E. 100,000 a-year, shows a surplus of £ E. 150,000, and it is not improbable that the actual surplus will turn out to be larger, especially if the land revenue collections in 1890 should be as good as those of the current year. It would be unwise, however, to count on this, or on the effect of the new tobacco measure in the first year, as the revenue is so dependent on the Nile and the expenditure on the situation on the frontier. It is desirable that the Egyptian Budget should invariably show a fairly large surplus, and I do not think, however desirable relief of taxation may be, that it would be wise to reduce the balance between revenue and expenditure below the figures shown in the Budget for 1890.

How then, it may be asked, will it be possible to give relief greater than is afforded by that Budget? To this I reply, by reduction of expenditure and by readjustment of the taxation.

As regards the former, the following reductions may be looked for in the course of the next few years:—

	£ E.
1. Interest on the Suez Canal shares which ceases in 1894	200,000
2. Conversion of the Privileged Debt, which cannot much longer be so unjustly prohibited by France	170,000
3. Tribute of Zeyla and Massowah, which it seems impossible to believe can be permanently imposed upon Egypt, which is no longer in possession of these places	30,060
Total	400,000

In addition to the above, the conversion of the Daira and Domains Loans, and the return of those lands to the population, would certainly cause a large reduction of expenditure.

The Budget of 1890 cannot fail to prove how much has been done during the last few years to improve the financial situation of the country. Egypt is now not only solvent, but her position is assured by a rapidly growing reserve fund, which has already reached £ E. 1,000,000. She is, moreover, able to grant relief of taxation to her people, and she has as bright a financial future before her as a country so crippled by debt through the follies of her previous Rulers can expect to have.

(Signed) ELWIN PALMER, Financial Adviser.

December 15, 1889.

No. 93.

Sir E. Baring to the Marquis of Salisbury.—(Received December 30.)

(No. 417.)

My Lord,

Cairo, December 18, 1889.

MR. CLARKE'S telegram No. 153 of the 4th instant will have informed your Lordship that the Egyptian Government wishes to abolish completely the system of forced labour on the canals, that it is proposed to carry this project into execution by imposing a fresh tax on the land, but that, if the French Government agrees to the conversion of the preference stock, it will be possible to dispense with any fresh taxation.

I have now the honour to inclose a copy of a letter addressed by Riaz Pasha to the Khedive, which explains the proposed measure more fully.

Briefly, the matter stands thus. The Budget on which the London Convention of 1884 was framed admitted of a certain reduction in the land tax. When the manner of carrying out this reduction came to be discussed in Egypt, it was decided that it would be better, instead of reducing the rates at which the land was assessed, to apply the money available, about 250,000*l.*, to a partial abolition of the corvée, which also constituted in reality a heavy tax on the land. This was accordingly done. The number of men called out to labour on the canals was largely diminished, and thus great relief was afforded to the population in general.

Unfortunately the sum of money, about 400,000*l.*, which would have been necessary to abolish forced labour completely and to replace it by free labour, was in

excess of the amount placed at the disposal of the Egyptian Government by the London Convention, viz., 250,000/.

It was necessary, therefore, to continue the corvée system, though on a limited scale.

A further improvement was then made. In some parts of Egypt the people were allowed to purchase exemption from the corvée.

The measure was popular and many people availed themselves of the option of purchase.

But this measure was a mere palliative. The continuance of the system in any form was open to great objections. The tax, whether it was paid in the shape of personal labour or of payment for exemption, fell with undue hardship on the poorer classes. The proprietor of a large estate, if he paid anything at all, paid no more to be exempted from the corvée than the humblest cultivator.

This is manifestly unjust. For several years past many English authorities, notably Sir Colin Scott Moncrieff and the irrigation officers, who have taken a special interest in this subject, have pointed out that the only fair way of regulating payment for exemption was, not to levy anything in the nature of a poll tax on the individual, but to make the payment proportionate to the benefit received from clearing out the canals, in other words, to impose a small additional rate on the land. Up to the present time, however, the opposition to any such measure has been too great to be overcome.

But shortly after my return from England three months ago, Riaz Pasha, on his own initiative, came to me, and, after pointing out the injustice of the present system, told me that he was disposed to abolish the corvée entirely and to obtain the requisite funds by the imposition of a small rate on the land. I told him that I highly approved of the measure, and I warmly encouraged him to take it up. Hence the present proposal. The corvée is to be completely abolished, and in lieu thereof a rate of, on an average, 3 piastres an acre imposed on the land. If, however, the French Government agrees to the conversion project, no new taxation will be necessary, as the economy effected by the conversion will be about equal to the amount required to substitute free for forced labour in the work of clearing out the canals.

I consider this one of the greatest and most beneficial reforms which has yet been accomplished in Egypt. It reflects the greatest credit on the Government of Riaz Pasha, to whose initiative the measure is entirely due. Various English authorities had, indeed, for some time past recognized the necessity of this reform, but its execution would have been practically impossible had it not been heartily taken up by the native Egyptian authorities themselves.

I have, &c.
(Signed) E. BARING.

Inclosure in No. 93.

Riaz Pasha to His Highness the Khedive.

Monseigneur,

LE jour heureux qui a marqué l'avènement de votre auguste Altesse au trône Khédivial, jour mémorable où a commencé pour l'Égypte l'ère des réformes, parmi les questions vitales intéressant au plus haut degré la prospérité du pays et le bien-être de ses populations, questions qui étaient l'objet de la haute sollicitude de votre Altesse, celle se rapportant aux travaux d'utilité publique fixait d'une façon toute spéciale la haute attention de votre Altesse. Il s'agissait, en effet, d'assurer, pendant la crue du Nil, l'irrigation régulière des terres, tout en les protégeant contre l'inondation, et de donner aux cultures "séfi" une quantité d'eau suffisante à l'époque de l'étiage. Aussi, suivant les généreuses intentions de votre Altesse, était-il nécessaire de rechercher tous les moyens possibles à l'effet d'entreprendre, au fur et à mesure que les circonstances le permettraient, tous les travaux extraordinaires dont l'exécution serait jugée nécessaire au développement et au progrès de l'agriculture. Il s'agissait, en outre, de savoir s'il était possible de remplacer par un autre système moins onéreux et plus avantageux, le système de la corvée suivi depuis les temps les plus reculés, dans l'exécution des travaux d'utilité publique.

Pour atteindre ce noble but, une assemblée générale fut convoquée, en 1880, au siège du Ministère des Travaux Publics. A cette réunion assistaient plus de 300 Notables, Omdehs et Cheikhs de villes et villages, venus de tous les points de l'Égypte,

tous les Moudirs, un grand nombre de hauts fonctionnaires de l'État, et enfin tous les membres du Cabinet de l'époque.

Après de longues discussions et de mûres délibérations qui se prolongèrent pendant trois jours consécutifs, il fut décidé que le maintien de cet odieux système était malheureusement inévitable.

L'unique cause de cette fatale résolution était, en premier lieu, l'impossibilité absolue de trouver alors des entrepreneurs qui fussent à même d'exécuter tout ou même partie des travaux dont il s'agit; en second lieu, l'usage des appareils mécaniques n'était pas, à cette époque, assez familier.

C'est donc forcé par les circonstances et contre son gré que le Gouvernement de votre Altesse s'était vu dans la pénible nécessité de maintenir ce système inique. Ne pouvant trouver mieux, le Gouvernement Khédivial dut s'en tenir là provisoirement, en attendant qu'il pût, sinon adopter plus tard un autre système, du moins trouver le moyen d'alléger, sous ce rapport, le lourd fardeau du peuple.

Depuis lors, le pays n'a cessé de nourrir l'espoir que, par des recherches et des études constantes des moyens les plus pratiques à adopter, ainsi que par des essais et des expériences de diverses natures à tenter, le Gouvernement Khédivial arriverait, avec le temps, à donner à cette question une solution aussi conforme à l'équité que favorable à l'intérêt public, suivant les généreuses intentions de votre Altesse, et de fait, l'attention la plus sérieuse du Gouvernement Khédivial s'était portée sur cette question importante, en vue d'atteindre le but philanthropique et utile poursuivi. Certains travaux avaient même été entrepris dans ce sens.

Le seul avantage qui résulta de la réunion de l'assemblée générale susmentionnée fut la fixation et l'imposition du rachat des prestations aux habitants des villages ("chifliks"), ceux des Hods, Ezbehs, et Kafirs et ceux des Abadihs qui, contrairement aux habitants des autres villages, étaient jusqu'alors exemptés de la prestation.

Si l'assemblée générale avait jugé bon d'étendre cette mesure aux habitants des villages sus-indiqués, c'était uniquement dans un but égalitaire et pour ne pas établir de distinction parmi le peuple; elle n'avait nullement l'intention d'obliger ces pauvres malheureux, qui gagnent à peine leur pain quotidien, d'exécuter des travaux ou de payer un impôt qui ne profite qu'à des tiers. La pensée qui dicta cette résolution de l'assemblée générale était d'amener les propriétaires des vastes domaines sur lesquels travaillaient ces hommes, à payer pour ces derniers le montant du rachat, afin de ne pas entraver ou arrêter leurs travaux agricoles.

Or, le but visé n'a malheureusement pas été atteint.

Les détails de ce qui eut lieu alors et dans la suite relativement à cette question se trouvent suffisamment indiqués dans les Rapports précédemment soumis à votre Altesse.

Le résultat définitif obtenu fut l'adoption du système qui demeura en vigueur jusqu'à ce jour, en vertu du Décret rendu par votre Altesse en date du 25 Janvier, 1881, système d'après lequel tous les indigènes, sauf quelques exceptions peu importantes, doivent personnellement ou la prestation en nature ou le rachat.

Il est vrai que dans les derniers temps, grâce aux efforts constants du Gouvernement de votre Altesse et aux mesures prises par lui, l'introduction dans le système en question de certaines modifications connues, a eu pour conséquence d'améliorer l'ancien état de choses et d'en adoucir, dans une certaine mesure, les rigueurs. Cette amélioration s'est fait surtout sentir depuis qu'un crédit annuel de £ E. 250,000 a été accordé pour alléger les charges de la prestation.

Mais il n'en est pas moins certain, mon dévouement sincère envers votre Altesse me fait un devoir de le déclarer, que les vestiges et les effets de ce système onéreux n'ont pas encore complètement disparu. La prestation n'a pas été réglée d'une façon équitable; elle porte toujours en elle le germe de l'arbitraire, les empreintes de l'inégalité et de l'injustice, faits qui sont en contradiction directe avec les sentiments d'équité de votre Altesse, et qui répugnent au bon sens.

Tandis qu'en effet, la majeure partie du peuple supporte le lourd et humiliant fardeau de la corvée, ce sont les riches et les propriétaires des vastes domaines qui profitent réellement des avantages résultant, soit des travaux exécutés par les pauvres malheureux, soit du rachat que ceux-ci paient.

Non contents de bénéficier seuls de ces avantages, les riches sont les premiers à se plaindre et à jeter les hauts cris si l'eau, ne fût-ce qu'un instant, vient à diminuer tant soit peu sur leurs terres.

En outre, les difficultés, les entraves, et les obstacles de toute sorte que le Gouvernement Khédivial et ses agents rencontrent dans l'application et la mise à exécution de ce système inique, d'une façon conforme autant que possible aux principes

de justice et d'équité, d'une part; la nécessité d'exécuter, en temps voulu, les travaux d'utilité publique dont dépend la vie du pays, d'autre part, sont un sujet d'embarras et de soucis constants et pénibles pour le Gouvernement de votre Altesse.

Tels ne sont pas les seuls inconvénients du système en question; il en présente bien d'autres encore dont l'énumération serait trop longue.

Au reste, est-il juste et équitable d'obliger les habitants des villages ("chifliks"), "kafirs," "hods," "ezbehs," "abadiehs," ainsi que ceux des autres villages qui ne possèdent aucune parcelle de terre ou ceux qui n'ont que de 1 feddan jusqu'à 10, est-il équitable de les obliger à supporter le fardeau de la prestation ou d'en payer le rachat à raison de P. E. 40 par homme pour la Basse-Egypte et de P. E. 30 pour la Haute-Egypte, alors que les riches et les grands propriétaires qui possèdent des centaines et des milliers de feddans profitent largement et paisiblement, sans supporter presque aucune charge, des fruits et des avantages résultant des travaux ou des contributions imposés à ces malheureux? Évidemment non.

Cet état de choses est on ne peut plus injuste. Je ne citerai qu'un exemple à l'appui de ce qui précède: le montant du rachat des prestations versé au Trésor par l'Administration des Domaines est retenu par cette dernière sur les salaires des hommes qui travaillent sur ses terres.

Or, si le Gouvernement Khédivial a jadis et dernièrement cru devoir suivre ce système, c'est parce qu'il y était contraint par la force des choses. Il ne disposait, en effet, d'aucun autre moyen qui pût remplacer la corvée dans l'exécution de ces travaux, sans lesquels le mal serait devenu plus grand et plus dangereux.

Mais aujourd'hui, sous les hauts auspices de votre Altesse, et grâce à sa sollicitude bienveillante, le Gouvernement Khédivial, par les moyens pratiques dont il dispose, est sûr, non seulement de faire exécuter les travaux annuels par voie d'entreprise et au moyen des appareils mécaniques, mais aussi de pouvoir entreprendre d'énormes travaux extraordinaires d'une très grande importance.

Les avantages du système des entreprises sont trop considérables et trop évidents pour qu'ils soient ignorés. Nul ne saurait nier ce fait.

En premier lieu, ceux des indigènes qui entreprennent ces travaux sont absolument libres de les exécuter ou non moyennant un prix déterminé, aucune contrainte n'étant employée à ce sujet à leur égard.

En second lieu, les habitants des villes et villages, ainsi que les cultivateurs, peuvent se livrer paisiblement à leurs travaux agricoles. Ils ne sont plus, ainsi que par le passé, menés à la corvée comme des troupeaux de moutons, en pleine saison de récolte ou de cultures de toute espèce ou aux époques de l'irrigation des terres. Ils étaient alors arrachés à leurs cultures qui, faute de bras et de soins, subissaient des dommages et des pertes très considérables.

Enfin, les sommes énormes actuellement payées, ou qu'il y aurait lieu de payer, pour ses entreprises sont presque totalement distribuées aux indigènes, qui en profitent.

A cet effet, je me bornerai à citer un seul exemple:

Nul n'ignore la sécheresse que les provinces de la Haute-Egypte, et notamment celles de Keneh, Esneh, et Ghirgeh, ont éprouvée l'année dernière. Or, sans le secours des sommes dépensées par le Ministère des Travaux Publics pour les travaux qu'il fit exécuter dans ces trois Moudiriehs, sommes dont le montant s'élève à £ E. 100,000 environ, et fut réparti parmi les habitants des dites provinces, ces derniers auraient enduré les souffrances atroces de la famine à un degré aussi lamentable que dans les années analogues antérieures. Cet exemple peut s'appliquer d'une façon générale aux autres provinces.

Pour toutes ces considérations, il devient maintenant aussi inopportun qu'impossible de maintenir le système de la corvée, et la nécessité s'impose de remplacer ce système par un autre plus conforme à la justice et à l'équité.

C'est dans ce but que je crois devoir soumettre à la haute approbation de votre Altesse le projet de Décret ci-annexé, portant l'abolition totale et définitive de la corvée dans toute l'Égypte, et établissant sur les terres, à titre de rachat de prestation, la taxe spéciale indiquée au projet sus-visé. Afin que votre Altesse soit persuadée que le Gouvernement Khédivial ne vise, par ce projet, aucun avantage financier, je crois devoir lui exposer que la somme totale qui résultera du nouveau système projeté s'élèvera à £ E. 150,000.

La somme perçue à titre de rachat de prestation, d'après l'ancien système, s'élève à £ E. 111,000, ce qui laisse une différence de £ E. 40,000.

Cette différence se trouve représentée par la taxe annuelle, à supprimer, du Canal Ibrahimieh, qui s'élève pour l'année courante à £ E. 24,000, et par le montant de la

nouvelle taxe spéciale incombant aux terres de Domaines et de la Daïra Sanieh, et qui, en fait, reste à la charge du Trésor, complétant ainsi la somme précitée de £ E. 150,000.

En daignant sanctionner le projet de Décret ci-annexé, votre Altesse donnera encore une preuve nouvelle et impérissable de sa haute et constante sollicitude pour le bien-être de son peuple.

J'ai, &c.
(Signé) RIAZ.

No. 94.

The Marquis of Salisbury to Sir E. Baring.

(No. 108.)
(Telegraphic.)

Foreign Office, December 30, 1889, 6 P.M.

YOUR telegrams Nos. 163 and 164.

No recent communication has been made by French Government on conversion question.

I see no objection to arrangement you suggest as to application of reserve fund if limited to a certain period, say five years.

No. 95.

Sir E. Baring to the Marquis of Salisbury.—(Received December 31, 9.15 P.M.)

(No. 166.)
(Telegraphic.)

Cairo, December 31, 1889, 8.20 P.M.

EGYPTIAN Under-Secretary for Foreign Affairs informed French Consul-General to-day that the Egyptian Government could not accept proposal to create a Commission as explained in my telegram No. 163 of the 26th. As regards the second proposal, he was informed that the Egyptian Government would be prepared to constitute a special military reserve fund to be expended as occasion might demand out of that portion of the economy resulting from conversion to a 4 per cent. stock which, after providing for the abolition of the corvée, would, under existing arrangements, go to the Commissioners of the Debt. This arrangement to last for five years. French Consul-General replied that his Government could not accept these proposals. At present, therefore, it looks as if conversion negotiations would not lead to any practical result.